PERCEPTIONS AND PURCHASE INTENTION OF FOREIGN AND LOCAL BRANDS
AMONGST CONSUMERS OF LAHORE.

By

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ABSTRACT

Consumer's product evaluations and decision making is based on available intrinsic and extrinsic cues. The origin of a brand is one such extrinsic cue that has vital impacts on consumer evaluations and purchase behavior. The objective of the research was to study the perceptions of brand value linked to local and foreign brands and how these perceptions are related to purchase intent amongst upper class and upper-middle class; young and educated consumers of Lahore, Pakistan. Local and foreign brand perceptions were also studied in relation to brand value perceptions and purchase intentions in the presence of sociodemographic variables for enhanced understanding. It is an empirical study. Data was collected using a questionnaire on consumer perceptions regarding local or foreign origin of brands. The questionnaire was partially constructed from previously validated instruments and partially developed for the purpose of this study. SPSS 15.0 was used to code and analyze collected data. The statistical techniques employed include t-tests and regressions. The results indicate significant relationship between local or foreign origin of brands and brand value perceptions. Significant positive relationship was found between (i) perceived brand foreignness and brand value perceptions (ii) brand value and purchase intention (iii) brand familiarity and purchase intention (iv)perceived brand foreignness and purchase intention. Lahori consumers, who score high on ethnocentric sentiments, have favorable purchase intentions regarding local brands. It is hoped that this research may contribute to local brand owners' better understanding of why foreign brands are perceived positively and to use this information to leverage the positioning of local brands. Foreign brand owners may use this research to overcome the country of origin effects as a barrier to entry in the Pakistani markets.

Chapter I

1.   Introduction

In the contemporary marketplace, international trade forms a sizable chunk of the economy. Examining of consumer expectations and perceptions regarding origin and value of brands are gaining importance as other competitive advantages are increasingly becoming more and more difficult to sustain. Prior research has found that the origin of a brand has vital impacts on consumer evaluations (Kumara and Canhua, 2010). Country of Origin (COO) is a vital aspect of research in Marketing due to its impact on critical factors such as brand value evaluations and purchase behavior. It is now one of the most studied areas in marketing and consumer behavior literature (Kumara and Canhua, 2010).

Consumer's product evaluations and decision making is based on available intrinsic and extrinsic cues. The information cues derived from product origin have recently been attributed so much significance, that it is now said to be a variant for 'managerial decision making' (Bodowsky et al., 2004). Managers can use these cues to make better and more calculated decisions regarding various aspects of branding and also locating the value chain in way that suits their business.

The importance of Country of Origin studies is such that a slightly older but comprehensive review of literature presented by Al-Sulaiti and Baker in 1998, suggested that in addition to product, price, place and promotion as elements of the marketing mix, brand origin should also be included in the marketing mix.

Hence, it is vital that consumer attitudes regarding foreign as well as local brands be studied and accurately anticipated (Netemeyer et al., 1991). In addition to product origin,

research has also found stark contrast in consumer preferences depending on the consumers' membership of society. All societies have various scales of measuring social standing of a group relative to another group.

Each society may use different ranks but markers of social class exist in all societies. The ways of displaying social standing are all the more significant in the developing world where interpersonal relationships are of high value (Ger et al., 1993). Ownership and use of certain brands is one such method that displays social standing of an individual.

In particular, people from developing countries have positive perceptions about brands from abroad especially if they perceive these to be originating from the developed world (Batra et al., 2000). These positive brand perceptions ensure an increase in focus regarding strategic importance of brands perceived to be foreign by consumers in the developing world (Zhou et al., 2010). This means marketers can now take advantage of the popularity of foreign brands, in certain scenarios, to leverage the perceptions regarding their own local brands by making it appear or sound foreign. Concurrently, international brands have sometimes been unsuccessful in delivering the expected superior value and such cases have created confusion amongst the consumers (Keller and Moorthi, 2003).

Such concerns further validate the need for further research concerning consumer brand value evaluations and purchase behavior. Despite the generalized positive brand perceptions attached to foreign products, the local marketers have sometimes successfully fought through and posed serious challenges to the entrenched foreign brands. Therefore, in such a dynamic situation, insight into purchase motives of various categories for the consumers has become all the more important (Zhou et al., 2008).

Foreign brands are usually rare items relative to local ones in a developing country like Pakistan. In most cases freight costs, taxes, premium pricing etc make these imported products more expensive for consumers in developing countries. The consumers then pay a higher price for the perceived higher value that might be similar, but may be perceived to be different than the perceived value of local brands (Piron, 2000). The consumers' perception about brand value is, hence, a major factor contributing towards purchase related decisions.

Research has found consumers' motives for purchase of imported products to be mostly hedonic rather than utilitarian (Zhou and Hui, 2003). Consumers are known to evaluate various aspects of a brand according to their pre-formed perception of the Country of Origin. Consumers have an inclination towards positive evaluation of brands originating from a country or region of the globe for which they carry a favorable perception (Liu and Johnson, 2005).

Hence, this study is intended to take a deeper look into favorable brand value perceptions resulting from origin based extrinsic cues, and how these perceptions impact the likelihood of purchase.

1.1. Statement of the problem

The statement of the research problem is "to study the perceptions of brand value linked to local and foreign brands and how these perceptions are related to purchase intent amongst upper class and upper-middle class; young and educated consumers of Lahore."

This research study has used internationally well known instruments to measure brand value, perceived brand foreignness, purchase intention, ethnocentrism and brand familiarity in Pakistan. In addition to afore mentioned variables other socio economic and demographic variables have been developed and used for exploratory purposes.

1.2. Contribution of Study: Why is there a need to study origin related consumer perceptions and their relationship with purchase intent?

One video on Youtube recently exceeded 1 *billion* views while the population of the world is about 7 billion. Coke, Google, Nestle etc. are household names all over the globe with the list of such brands growing faster than one can imagine. The world is now a global village, growing smaller everyday!

In this global context, most marketing literature focuses on multinational companies and global brands at the expense of domestic products (Eckhardt, 2005). Previous research has deeply looked into brands local to the developed nations; but brands from such countries these do not face the kind of limitations observed in emerging markets (Kapferer, 2002).

Consumers in developing markets today increasingly face choices between tried and tested local products; and newer but more prestigious foreign products (Eckhardt, 2005). It is obviously very important to research how consumers make the choices leading up to the purchase decision making regarding preferring one over the other. In spite of interest of researchers, there exists a lack of empirical studies about COO (Cleveland, Laroche and Papadopoulos, 2009) as it pertains to the Pakistani consumer.

Research also speaks of strategies to harness the local cultural capital which may help the local brands not only to survive but successfully compete with foreign brands (Ger, 1999).Some brands are already trying to engage the patriotic sentiments in consumers. In this context, some brands may stand at a disadvantage depending on the product category of operation. If the product category is perceived to be foreign (e.g. pizza in India) then building on culture capital may well be a complex task (Eckhardt, 2005).

Hence, it becomes all the more important while studying purchase intention of Pakistani consumers to also study this phenomenon regarding positive associations stemming from the product being perceived to be foreign or global. Especially as such perceptions may be used as an advantage to help the marketers engineer leveraging of their local brand.

Prestige and social signaling is all the more important in developing nations. Foreign brands are considered to have higher social standing relative to local brands (Batra et al.,2000).This state of affairs can be a result of a number of factors. Foreign brands are usually more expensive depending on freight charges, taxes etc and also not as easily available relative to local brands. Hence this scarceness is likely to make the non-local brands more desirable and prestigious for consumers in the developing world. Another reason could be that consumers in developing nations are on a constant look out for replicating the practices of the glamorous western cultures, which is what they are exposed to in movies, music and TV programs. A third reason may be that these consumers in the developing nations are eager to display similarities with the global community at large so as to appear to be more well travelled and sophisticated (Batra et al.,2000). It is hence worth exploring if the Pakistani consumer exhibits similar tendencies in their brand preferences; and if the expected positive brand value evaluations lead to positive purchase behavior amongst Pakistani consumers.

In terms of population, Pakistan is the 7th most populated country of the world. These population statistics are projected to rise to 350 million by 2025. Lahore is considered to be one of the 30 most populous cities of the world. The sample of this study is chosen so as to represent the future managerial and professional elite of Pakistan. Aforementioned demographic growth in Pakistan alone poses tremendous opportunity for marketers in Pakistan as well as foreign marketers seeking large markets.

The main focus of this research was to identify the perceptions of Pakistani consumers about foreign versus local brands; and how these impact purchase decisions for consumers in a developing market; specifically Lahore, Pakistan. The study further provided insight into the local consumer's perceptions regarding some important extrinsic marketing cues like brand quality, brand prestige, brand social signaling, brand familiarity, brand leadership as well as ethnocentrism and their relationship with purchase intentions.

This study was tailored to explore origin based information cues for consumers in Lahore. It aimed to observe: 1) Consumer perceptions regarding brand value, of foreign brands relative to local brands. 2) The extent of consumer perception regarding brand value depending on 'perceived brand foreignness'. 3) Relationships between consumers' purchase intent; and perceptions of brand value and brand foreignness. 4) Relationship of consumers' ethnocentrism with their intent of purchase of brand as a subsequence of origin based perceptions.

1.3.   Scope of the study

Broadly speaking this study falls in the category termed 'country of origin' studies.COO effects have extensively been studied and yet researchers also believe that COO studies lack empirical investigations (Cleveland, Laroche and Papadopoulos, 2009).The study was an attempt at empirical investigations relating brand perceptions and purchase intentions in line with the literature.

The research study was confined geographically to the area of Lahore. The study may not be generalizable to other lesser developed areas of Pakistan where the country of origin effects were expected to be more profound. Those were not included as the existing infrastructure (distribution challenges) would have made the findings useless. 10 brands were selected via two

focus groups to ensure relevance to the sample along with deliberate variation in product categories as well as brand origin.

Consumers' perceptions and purchase behavior were also tested using demographic and socio-graphic variables as control variables. These provided a better profiling of the respondents in relation to their perceptions and purchase intent. To the best extent of our knowledge, although qualitative studies have included such considerations, no published empirical study has included such a vast demographic and socio-graphic respondent background.

1.4. Research Questions

Following are the research questions addressed in this study.

Research question 1:

a) What is the relationship between Brand Origin and Brand Value?

b) What is the relationship between Brand Origin and Brand Leadership?

c) What is the relationship between Brand Origin and Brand Social Signaling Value?

d) What is the relationship between Brand Origin and Brand Quality?

e) What is the relationship between Brand Origin and Brand Prestige?

Research question 2:

a) What is the relationship between Perceived Brand Foreignness and perceived Brand Value?

b) What is the relationship between Perceived Brand Foreignness and perceived Brand Value when controlled for Gender, Family Income, Social Class, Lifestyle, Religiosity, Respondent Origin, Financial Dependence, International Trend Preference, Living

Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference, Language Preference, TV Preference, Magazine Preference, Actor Preference, Visit Abroad, Friends Abroad, Relatives Abroad, Social Media and Music Preference?

Research Question 3

a) What is the relationship between Perceived Brand Foreignness with Purchase Intention?

b) What is the relationship between Perceived Brand Foreignness with Purchase Intention when controlled for Family Income, Gender, Social Class, Lifestyle, Religiosity, Respondent Origin, Financial Dependence, International Trend Preference, Living Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference, Language Preference, TV Preference, Magazine Preference, Actor Preference, Visit Abroad, Friends Abroad, Relatives Abroad, Social Media and Music Preference?

Research Question 4

a) What is the relationship between Brand Familiarity and Purchase Intention?

b) What is the relationship between Brand Familiarity and Purchase Intention when controlled for Family Income, Gender, Social Class, Lifestyle, Religiosity, Respondent Origin, Financial Dependence, International Trend Preference, Living Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference, Language Preference, TV Preference, Magazine Preference, Actor Preference, Visit Abroad, Friends Abroad, Relatives Abroad, Social Media and Music Preference?

Research Question 5

a) What is the relationship between Brand Value and Purchase Intention?

b) What is the relationship between Brand Value and Purchase Intention when controlled for Family Income, Gender, Social Class, Lifestyle, Religiosity, Respondent Origin, Financial Dependence, International Trend Preference, Living Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference, Language Preference, TV Preference, Magazine Preference, Actor Preference, Visit Abroad, Friends Abroad, Relatives Abroad, Social Media and Music Preference?

Research Question 6

a) What is the relationship between Ethnocentricity and Purchase Intention of Foreign Brands?

b) What is the relationship between Ethnocentricity and Purchase Intention of Foreign Brands when controlled for Monthly Family Income, Gender, Social Class, Lifestyle, Religiosity, Respondent Origin, Financial Dependence, International Trend Preference, Living Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference, Language Preference, TV Preference, Magazine Preference, Actor Preference, Visit Abroad, Friends Abroad, Relatives Abroad, Social Media and Music Preference?

c) Is there a relationship between Ethnocentricity and Purchase Intention of Local Brands?

d) What is the relationship between Ethnocentricity and Purchase Intention of local Brands when controlled for Monthly Family Income, Gender, Social Class, Lifestyle, Religiosity, Respondent Origin, Financial Dependence, International Trend Preference, Living Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference, Language Preference, TV Preference, Magazine Preference, Actor Preference, Visit Abroad, Friends Abroad, Relatives Abroad, Social Media and Music Preference?

1.5. Theoretical Framework

This research study aimed to study relationships between consumers' perceptions, stemming from origin based cues about brands, in relation to perceptions of brand value. The relationships between such perceptions were also studied in relation with brand purchase intentions. The study also included the effects of brand familiarity. Various demographic and socio graphic factors were also included for better understanding of the Lahori consumers' preferences. The study also focused on better understanding of consumer ethnocentrism in relation to the intent of purchase.

Figure 1: Theoretical Framework
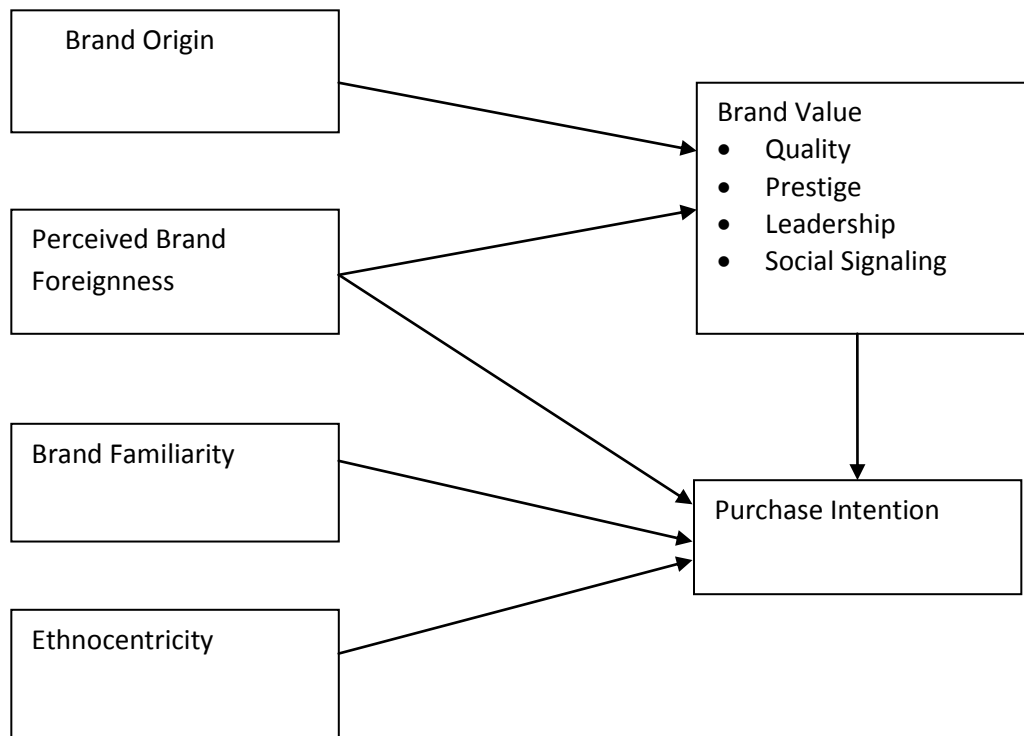
1.6. Hypothesis

Consumers consider intrinsic as well as extrinsic cues while evaluating various brands before they finally make the purchase decision. This section outlines the research hypothesis and relevant models that this study addressed pertaining to perceptions of local and foreign brands and purchase intention.

In order for the consumers to be satisfied or delighted; consumer' expectations must be understood and value must be provided. A brand ensures a standardized product, minimizing uncertainty and maximizing trust. The main goal, thus, is to create a sense of value for the target consumer.

Brand value is the result of complex combination of the brand's extrinsic and intrinsic cues, not merely the origin of the brand. Multiple dimensions were hence studied for deeper understanding including brand prestige, quality, social signaling value and leadership.

This research focus is on variation in consumer brand value evaluations depending on the local or foreign origin of the brand.

Prior research has found that consumers in developing markets favor purchase of foreign brands (Steenkamp et al., 2003; Eckhardt,2005; Batra et al.,2000). Multinational corporations operating across the globe have superior products and then these invest heavily in building high brand images for their international brands in the local consumers mind (Holt et al.,2004).This superior perception may thus be attributed to the past consumer experiences of higher brand value attainment with international brands in comparison with the local ones.

Hypothesis 1:

All four dimensions of Brand Value (Brand Prestige, Brand Quality, Brand Social Signaling Value and Brand Leadership) as well as Brand Value overall will have a significant relationship with brand origin.

Figure 2: Impact of Brand Origin

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┌─────────────────────────┐              ┌──────────────────────────────────┐
│                         │              │ Brand Value                        │
│      Brand Origin       │              │    • Brand Prestige                │
│                         │──────────▶   │    • Brand Quality                 │
│    (Local or Foreign)   │              │    • Brand Leadership              │
│                         │              │    • Brand Social Signaling Value  │
└─────────────────────────┘              └──────────────────────────────────┘
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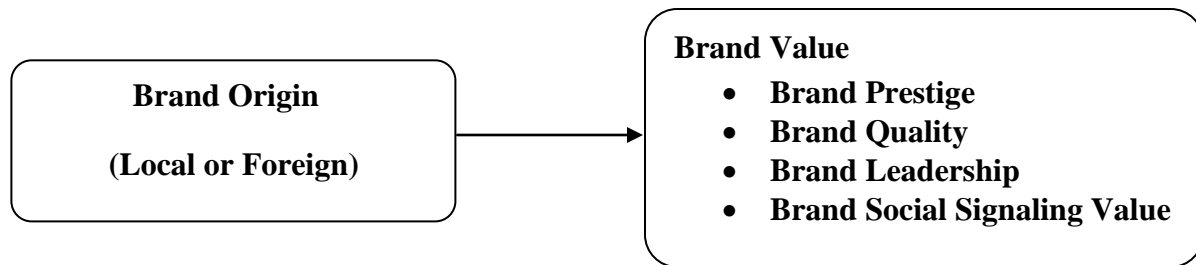
Many firms in developing countries are believed to leverage their brand image appeals with foreign associations. These firms believe foreign appeals relate high brand value perceptions with the product as well as are considered to be a better social signal by consumers (Eckhardt, 2005; Zhou and Belk, 2004). Pakistani firms are no exception and the country has, over the years, seen many such strategies put to use in the local markets e.g. Olpers milk, Tibet cream, English Toothpaste etc.

Hypothesis 2 a:

The relationship between Perceived Brand Foreignness and perceived Brand Value is significantly positive.

Hypothesis 2 b:

The relationship between Perceived Brand Foreignness and perceived Brand Value is significantly positive in the presence of Gender, Monthly Family Income, Social Class, Lifestyle, Religiosity, City, State, Financial Dependence, International Trend Preference, Living Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference,

Language Preference, TV Preference, Magazine Preference, Actor Preference, Visit Abroad, Friends Abroad, Relatives Abroad, Social Media and Music Preference.

**Figure 3: Impact of Perceived Brand Foreignness on Brand Value**
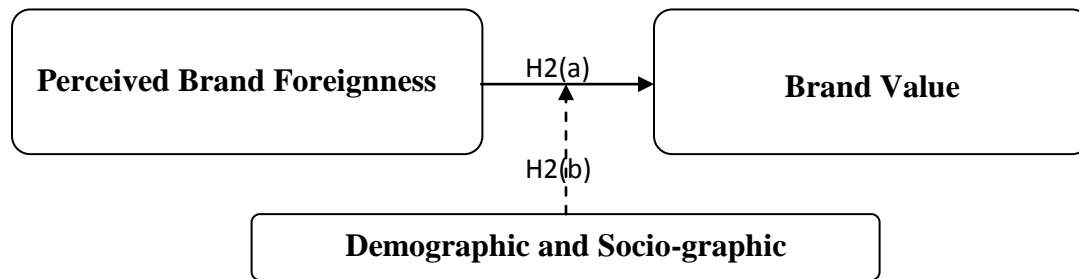
Prior research has reported that companies in the developing world deliberately market their brands so as to position them to be global (Brown, 2005). Brands can also capitalize on high value perceptions, stemming from foreign origin perception, if they operate in certain product categories which are considered to be foreign, e.g. pizza in India (Eckhardt, 2005). In a similar setting, local brands have also used foreign sounding brand names so as to create a better perception of brand value (Zhou, Yang and Hui 2010). Miller in 2011 reported one in four consumers makes a purchase decision based on COO information. Hence, this study investigated the affect of perceived brand foreignness on purchase intent of Lahori consumers.

Hypothesis 3a

Perceived Brand Foreignness will have a significantly positive relationship with Purchase Intent.

Hypothesis 3b

Perceived Brand Foreignness will have a significantly positive relationship with Purchase Intent in the presence of Gender, Monthly Family Income, Social Class, Lifestyle, Religiosity, City, State, Financial Dependence, International Trend Preference, Living Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference, Language Preference, TV Preference, Magazine Preference, Actor Preference, Visit Abroad, Friends Abroad, Relatives Abroad, Social Media and Music Preference.

Research also reports that Brand Familiarity has a significant impact on Purchase Intent. It also appears to be an obvious requirement leading up to all other brand related perceptions. Studies that include brand familiarity are rare in COO literature (Steenkamp et al., 2003) and hence there is a need to study the impact it has on the end result i.e. Purchase Intention.

Hypothesis 4a

Brand Familiarity will have a significantly positive relationship with Purchase Intention.

Hypothesis 4b

Brand Familiarity will have a significantly positive relationship with Purchase Intention in the presence of Gender, Monthly Family Income, Social Class, Lifestyle, Religiosity, City, State, Financial Dependence, International Trend Preference, Living Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference, Language Preference, TV Preference, Magazine Preference, Actor Preference, Visit Abroad, Friends Abroad, Relatives Abroad, Social Media and Music Preference.

Some prior research has used purchase likelihood as a direct indicator of brand value perception (Zhou and Wong, 2008). In contrast for some other researchers, perceived value is one of the important considerations leading up to purchase motives (Anderson and He, 1998).

Brand value is determined by the consumers overall assessment of the perceived costs versus benefits (McDougall and Levesque, 2000).

Hence, this research focused on separating Brand Value perceptions and Purchase Intention while controlling for demographic and socio graphic variables. Furthermore consumer motives need to be studied as these in fact drive preferences for domestic or foreign products , this research thus took into account the Purchase Intention in addition to perceived value. In some cases, despite high brand value perceptions and accessibility, a purchase may still not be made. Insight into the purchase intent of various consumers, for different products having numerous origins may help formulate a more effective communication and positioning strategy.

Although it is widely accepted as an important consideration, yet there exists a gap in previous research about translation of perceived brand value into purchase motives of local or non-local brand (Zhou and Hui, 2003).

Hypothesis 5a

There exists a significantly positive relationship between perceived Brand Value and Purchase Intention.

Hypothesis 5b

There will be a significant positive relationship between Brand Value and Purchase Intent in the presence of Gender, Monthly Family Income, Social Class, Lifestyle, Religiosity, City, State, Financial Dependence, International Trend Preference, Living Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference, Language Preference, TV Preference, Magazine Preference, Actor Preference, Visit Abroad, Friends Abroad, Relatives Abroad, Social Media and Music Preference.

Figure 4 depicts the relationships between Perceived Brand Foreignness, Brand Value and Brand Familiarity with Purchase Intention.

Figure 4: Impact of PBF, Brand Value and Brand Familiarity
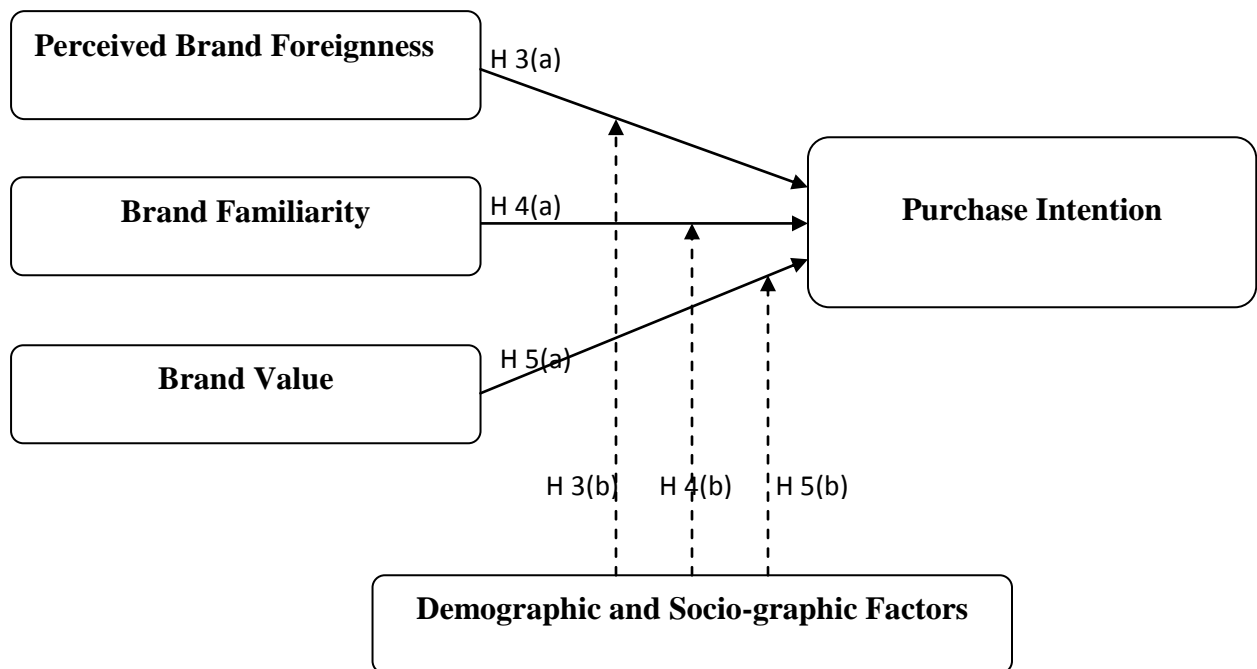
Some developed economies prefer buying local products due to superior quality coupled with feelings of patriotism, this is predominantly observed in Western societies (Bilkey et al., 1982; Hausruckinger,1993; Ettenson et al.,1988). Marketers capitalize on such sentiments with campaigns like "buy Canada" and "made in USA" labels.

Although it is true that foreign brands are often associated with prestige, quality and glamour, especially in developing countries, but some consumers are wary of sending money earned at home to companies operating abroad. Such a backlash against brands perceived to be foreign was also found to exist in a fast emerging eastern economy like China (Crocker and Tay, 2004). In contrast, other studies show deliberate use of foreign connotations in hopes of capitalizing on PBF in the same Chinese markets (Zhou and Belk, 2004).

Such gaps in research further validate conducting this study especially in a society like Pakistan where both phenomenon (ethnocentrism and high brand value associations for foreign brands) may co-exist and thus the differences and the reasoning behind these is worth exploring. Additionally, in a polarized society like Pakistan with the reemergence of vehement ethnicity, religious movements and resurging nationalism; consumers may choose to buy national products in order to support the local industries, despite positive brand value perceptions of foreign brands.

Hypothesis 6 a

There will be a significantly negative relationship between Ethnocentricity and Purchase Intention of Foreign Brands.

Hypothesis 6 b

The relationship between Ethnocentricity and Purchase Intention of Foreign Brands will be significantly negative in the presence of Monthly Family Income, Gender, Education, Social Class, Lifestyle, Religiosity, Respondent Origin, Financial Dependence, International Trend Preference, Living Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference, Language Preference, TV Preference, Magazine Preference, Actor Preference, Visit Abroad, Friends Abroad, Relatives Abroad, Social Media and Music Preference?

Figure 5 is the diagrammatic representation of effect of ethnocentricity on purchase of foreign brands.

Figure 5: Impact of Ethnocentricity on Foreign Brand Purchase
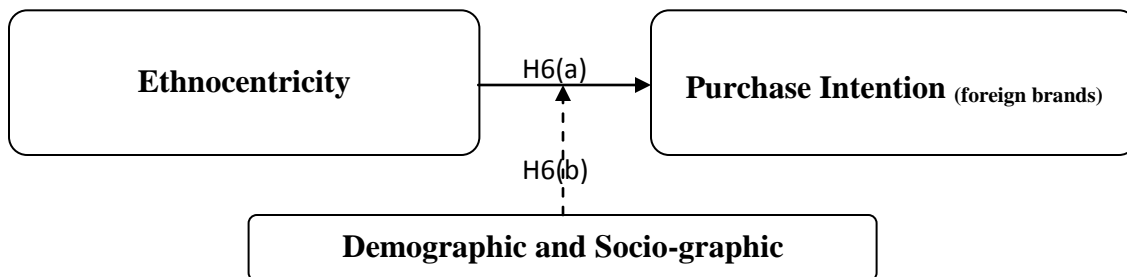
Hypothesis 6c

There will be a significantly positive relationship between Ethnocentricity and Purchase Intention of Local Brands?

Hypothesis 6d

The relationship between Ethnocentricity and Purchase Intention of local Brands will be significantly positive in the presence of Monthly Family Income, Gender, Social Class, Lifestyle, Religiosity, Respondent Origin, Financial Dependence, International Trend Preference, Living Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference, Language Preference, TV Preference, Magazine Preference, Actor Preference, Visit Abroad, Friends Abroad, Relatives Abroad, Social Media and Music Preference?

Figure 6: Impact of Ethnocentricity on Local Brand Purchase
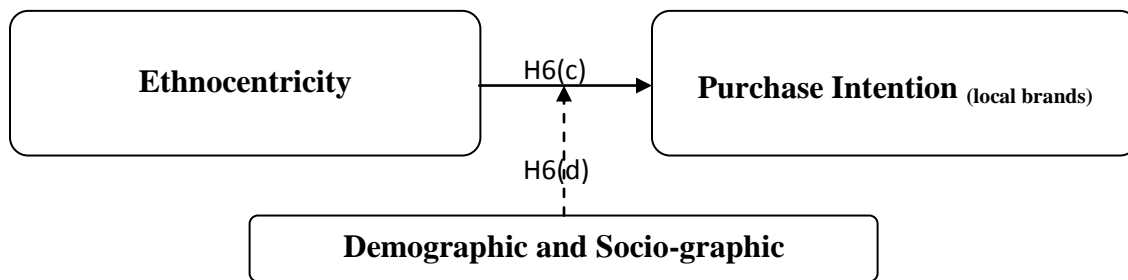
1.7. Limitations of the study

This study is subject to many limitations. The respondents were assumed to be willing to invest the time, energy and effort in helping with research. This may have introduced a bias in the sample.

The foundation of this research lies on self-report data. Respondents may have felt social desirability pressures even though it was particularly ensured that the respondent was given complete independence, space and anonymity assurance.

This is a cross sectional study and does not take into account the factor of time. One time data collection may sometimes also be influenced by the respondents' frame of mind at the time.

Data collection was also done in 3 universities in Lahore, therefore results might raise concerns over generalizability to all university students of Pakistan owing to cultural and linguistic differences.

This research used purchase intention as an indicator of purchase behavior. This could further be refined to actual purchase behavior, which was outside the scope of this research due to financial constraints but study of actual purchase behavior promises to be an interesting avenue for future research.

1.8. Assumptions of the study

This study had to be based on some assumptions. Firstly, it was assumed that the university students used in the sample of the study are representative of the future managerial and professional elite of Pakistan.It was also assumed that the sample respondents were able to report their accurate, honest and objective opinions and perceptions omitting any possibility of social pressures while filling the questionnaire.

Lastly, it was assumed that perceptions about Brand Quality, Brand Social Signaling Value, Brand Leadership and Brand prestige are together representative of the broader construct of Brand Value.

1.9. Definition of Terms

This section includes the definition of the terms that govern this study.

1.9.1. Country of Origin

COO is more than the 'made in' label. Bilkey and Nes in 1982 defined COO as the "country of manufacture/assembly". This was modified soon after in 1985 when Johansson et al. defined it as the country where the corporate head quarter of the brand existed. This was pretty apt as corporations began to break and locate various areas of the value chain across the globe, wishing to optimize advantages including cost saving and culture capitalizing. If, for example, a Nike product had a 'made in China' label, its country of origin was still perceived to be the USA where the corporate head quarters were located.

In 1992 Roth and Romeo modified the definition of COO to be the overall perceptions that the consumers form of products from a particular country. Brodowsky et al. in 2004 summarized all these definitions and admitted that country-related cues may be manifested in many alternative forms and thus COO should broadly be recognized as a variable which encompasses origin based cues that influence the consumers' perceptions and therefore affect purchase and consumption behavior of consumers based in Lahore, Pakistan.

For the purpose of this research COO evaluation is based on what the consumers of Lahore, expect from foreign brands perceived to originate from outside the country. Moreover, this definition encompasses the stereotypes consumers in Lahore hold towards foreign and local brands.

1.9.2. Brand Value

This is the value consumers expect to derive from consumption of a particular brand strategic key unit (SKU). Brand value is considered to be the overall assessment of the costs versus benefits perceptions by the consumers (McDougall and Levesque, 2000). Various authors have used various components to define this broad concept. In 2010 Zhou et al. comprehensively used three dimensions to define brand value.

1. Brand Quality i.e. the workmanship, derived satisfaction from use and perceptions about durability.
2. Brand Leadership i.e. the innovative lead and popularity of the brand relative to other competing brands.
3. Brand Social Signaling Value i.e. the change in the way the consumer is perceived by others due to use of the brand.

Steenkamp et al. in 2003 also used brand prestige as an indicator of brand value. This encompassed self-image enhancement through consumption of a particular brand.

1.9.3. Brand Origin

Brand Origin describes where the brand originates from. For the purpose of this study Brand Origin describes if the brand in question is of Pakistani or foreign origin.

1.9.4. Perceived Brand Foreignness (PBF)

The term perceived brand foreignness is not merely subject to stereotypes regarding a particular country. The term in general can be defined as the perception of consumers that the brand does not originate from within the country. More so it is the perception that the brand is of foreign origin. Research indicates that the phenomenon of perceived brand foreignness has

image-enhancing effects especially on consumers from the developing world (Batra et al., 2000) and hence it is all the more important to study PBF and its effects amongst consumers in Lahore.

It is, thus, possible for a local Pakistani brand to be perceived as a foreign brand, and respondents may give high scores on PBF to such a brand.

1.9.5. Purchase Intention

This is the intent to purchase the product-in-question if it were readily available. This research used Purchase intention as an indicator of consumer purchase behavior.

1.9.6. Brand Familiarity

Brand was defined as familiar if respondents recognized it. This seems to be natural predecessor to all other brand related decisions. Brand familiarity was supposed to measure how well known the brand was for the respondent.

1.9.7. Ethnocentricity

Consumer ethnocentricity is a concept stemming from patriotism. Sometimes the consumers feel purchasing foreign products is 'wrong' behavior as it hurts the local industry as well as is considered unpatriotic. Such consumers feel that local goods must be preferred over foreign ones so as to economically support the local industry irrespective of perceptions of value of foreign products. This was found particularly true for consumers from the relatively more developed western economies (Bilkey and Nes, 1982).

1.10. Organization of Study

The introduction, statement of the problem of this research, the scope of the study, limitations and assumptions taken have been presented in Chapter One which also contains the definition of independent and dependant variables and research questions explored in this study.

The review of literature of the relevant areas; and identification of current trends in research have been discussed in Chapter Two.

Chapter Three outlines the research methodology and procedures used to gather and analyze data for the purpose of this study. Details regarding research design, sample, instruments and methods used for collection of data etc are discussed in this chapter. Outline of appropriate statistical methods for testing the hypothesis are also included in Chapter Three.

The statistical models are all run on SPSS and the results as well as detailed analysis of the statistical analysis of data are reported in Chapter Four. Significant relationships are clearly identified.

Chapter Five reports the conclusions drawn from the findings of this study; and comparisons of conspicuous departures from findings from previous studies are discussed. Future research recommendations are also identified and included in this chapter. Implications of findings of this study for brand management are reported.

Chapter II

2.   Literature Review

The world is now said to be a global village. Many corporations have successfully engaged in global branding and hence consumers across the globe now use similar products. These global brands compete with local brands for market share. While it is largely believed that industries are globalizing, similar globalization of consumer behavior remains questionable (Cleveland et al, 2009).

Some research studies have reported the emergence of a, so called, global consumption culture (Alden et al, 1999; Hannerz 1990). In a global consumption culture, consumers across the globe use standardized products. On the other hand, there is also extensive probing by the researchers into identifiable consumption patterns varying across countries, namely country of origin studies (Cleveland and Laroche, 2007; Knight, 1999). Other researchers have reported emerging consumption pattern to be dependent on a complex combination of both the global as well as local forces (Craig and Douglas, 2006).

The contemporary consumer is faced with tough choices regarding older more familiar local brands and newer more glamorous foreign ones (Batra et al., 2000; Eckhardt, 2005). This is especially relevant for consumers in the developing world who have been exposed to the glamorous western consumption culture through movies and TV programs, these consumers may seek to emulate the western practices for various reasons (Batra et al., 2000) and such emulation may be expressed by using western brands..

Variation in consumer's brand preferences across geographical areas is reportedly linked to perceptions about the origin of the product in question (Knight, 1999 ; Nagashima, 1970; Han,

1988; Papadopoulos et al.,1990). Research studies exploring these perceptions are known as Country of Origin (COO) studies.

COO is now one of the most extensively studied areas in marketing and consumer behavior literature (Kumara and Canhua, 2010). Al-Sulaiti and Baker in 1998 reported in a literature review based on the COO studies, that the relevance of country of origin in today's marketplace is such that product origin should be included as the fifth marketing mix element along with product, price, promotion and place.

Consumers' across the globe react to various marketing stimuli. Some of these information cues are deliberately provided to suit the needs of the business. In order to better locate various aspect of the value chain across the globe; and to understand how consumers perceive and react to various cues including product origin, must be studied. These studies are hence so important that COO is now considered a variant for managerial decision making (Bodowsky et al.,2004).

Due to international trade activities across the globe, competition between available products has become acute (Zhou and Wong; 2008). Competitive advantages are increasingly becoming more difficult to sustain. Therefore, it is now becoming all the more important to preempt consumer perceptions as well as preferences for domestic as well as foreign products (Netemeyer et al., 1991).

Foreign Brands have also been known to sometimes fail in delivering superior value. For consumers who perceived differently, this has resulted in confusion (Keller and Moorthi,2003). The need to study and understand consumer perceptions and how these are translated into purchase behavior is thus further validated.

As claims of globalization grow taller, empirical research simultaneously indicates continuation of national stereotypes, history, tradition and other characteristics on consumer perceptions and thus purchase decisions.

In case of developing markets there is varying evidence about consumer perceptions regarding local and foreign products. Prior research has found that consumers in developing markets feel western practices are glamorous and trendy. These want to purchase brands with foreign appeals in order to imitate the western lifestyle (Steenkamp et al.,2003; Eckhardt,2005; Batra et al., 2000).

On the contrary, consumers in emerging markets have also been noted to display tendencies of preferring local offerings (Crocker and Tay, 2004). These gaps in research further validate the need to study consumer perceptions for various products in the Pakistani context.

Products have intrinsic as well as extrinsic cues (Bilkey and Nes, 1982; Cordel, 1992) which are used by consumers to place a particular product or brand on their "mental map". These cues are used by consumers to make purchase decisions that may eventually result in brand loyalty. Tangible characteristics are the intrinsic cues for example the packaging, design and other physical traits. The extrinsic or intangible cues include brand name, image, quality perceptions etc. One such extrinsic cue often, consciously or otherwise, used by consumers to evaluate products is the Country of Origin (Schafer, 1997; Niss, 1995; Orth, 2002).

COO studies are vital for marketers to better understand consumer perceptions, purchase behavior, brand loyalty and other crucial factors (Bilkey and Nes, 1982; Knight, 2003).

2.1. Country of Origin Effect

Beginning of Country of Origin (COO) studies may be attributed to Nagashima in 1970(Knight, 1999), who defined COO effect as "the picture, the reputation, the stereotype that businessmen and consumers attach to products of a specific country". These studies basically entail examining consumer perceptions regarding products sourced from different countries (Roth and Romeo, 1992).

Some authors have studied the favorable or unfavorable influence exerted on the target consumers by the COO effect (Bilkey and Nes,1982; Elliot and Cameron,1994). This line of research has brought to light how customers' foreign familiarities encourage positive attitudes toward global or foreign brands (Douglas and Nijssen, 2008). Similarly, foreign positioning of brands enhances brand value across cultures and thus many international marketers have used foreign or global positioning strategies in order to create desirability through international image creation (Alden et al, 1999).

The consumers evaluations based on brand origin (local or foreign) may be stemming from perception only, even if the perception happens to be incorrect (Samiee et al.,2005), but these perceptions can have significant effects on the consumers purchase decisions. Therefore, an outcome of COO studies is an important concept of "Perceived Brand Foreignness" (Batra et al., 2000).

2.2. Perceived Brand Foreignness

The concept of 'perceived brand foreignness' or PBF is a relatively recent idea in country of origin studies (Zhou et al.,2010) . PBF is not a particular country stereotype and it is quite

different to the made-in label. It is the general perception that the brand/product is non-local i.e. of foreign origin (Batra et al. 2000).

Existing literature on developing markets suggest that PBF enhances image and brand value for the consumers (Eckhardt, 2005; Kapferer, 1997; Batra et al.,2000). Batra et al. in 2000 reported that use of foreign appeals for image building and increase in brand value are more relevant to emerging economies than they are to the developed world. The study also identified perceived brand non-localness (foreignness) to especially relate to positive attitudes towards foreign brands as the western brands are held in high esteem in developing countries. The authors also identified that data from multiple developing countries was needed to ensure generalizability of this positive relationship of brand foreignness and consumer attitudes. In addition, the authors acknowledged the need to use better quality scales of variables that their study only used one item to measure e.g. brand familiarity and brand social signaling value. This study has catered to both the concerns in the Pakistani context.

Local brands, however, have established relationships with the consumer; are supported by the government; are better informed about the local market, resources and supplies etc. These advantages are sometimes referred to as the local cultural capital. Yet, for many consumers in the developing world the entrenched glamour association with foreign image appeals is hard for local brands to break or compete with (Alden et al., 1999).

Interestingly, it is possible for these foreign image appeals to be attached to local brands in the consumers' minds with the right marketing strategies (Eckhardt et al.,2005). Eckhardt in 2005 reported that local brands operating in foreign categories may easily enjoy the 'foreign' appeal. This study was done through interviews conducted with a sample of university students.

Local brands may also thus, capitalize on PBF (or associated value perceptions) through use of various strategies including use of brand names which sound foreign (Leclerc et al.,1994) .

Samiee et al. found in 2005 that consumers' evaluations based on brand origin (local or foreign) maybe stemming from perceptual cues that may not be correct. Interestingly, this study also found the COO cues' effects to be inflated by prior research. The sample responses were collected from households through a specialized market research firm to ensure representation of the population at large. The study also found consumer value perceptions to significantly affect consumers purchase decisions.

In relation to consumer ethnocentricity, research has found that a brand viewed as of non-local or foreign origin may not evoke as much hostility from ethnocentric consumers when compared to a brand originating from a specific country (Batra et al., 2000).

It might be an interesting future research consideration to study which glamour and value associations create PBF and whether local brands can possibly deliver on these promises made, in order to create consumer satisfaction and eventually loyalty.

2.3. Brand Value

Products once branded can be viewed as a promise or contract as far as the consumer is concerned. Consumer expectation must be met if not exceeded for the brand to survive. This is becoming more and more challenging to the marketers today due to new and more competitive products entering the markets (including additions owing to fading international trade boundaries) as well as existing array of competing products. On the other hand competitive advantages are becoming increasingly difficult to sustain over the long term (Cleveland et al., 2007).

Prior research has reported consumers in developing markets to emulate what they feel are glamorous western practices and thus these favor purchase of western brands (Steenkamp et al., 2003; Eckhardt,2005; Batra et al.,2000). Simultaneously, some other authors have reported consumer ethnocentrism to play a significant part in hindering the final purchase behavior despite high value perceptions regarding foreign products amongst consumers in emerging economies (Crocker and Tay, 2004).

Multinational corporations operating across the globe undoubtedly have superior products and then these invest heavily in building high brand images for their international brands in the local consumers mind (Holt et al.,2004).This superior perception may be attributed to the past consumer experiences of higher brand value attainment from international brands in comparison with the local ones.

The term 'value' is generally considered to be the benefit derived versus the cost payed in attaining a product. Perceived value, however, may be evaluated at various stages of the purchase process. This includes the pre-purchase stage and hence these value perceptions can be generated and measured without the need for an actual purchase transaction (Woodruff, 1997).

Researchers seem to agree that viewing value as a trade-off between cost and quality is overly naïve (Sweeney and Soutar, 2001). It is generally agreed that various dimensions of the term perceived value might be 'differentially weighted' for various consumers (Zeithaml, 1988). Different studies have shown that multiple value dimensions are more equipped to predict consumer choice behavior including purchase behavior (Sweeney and Soutar, 2001; Zhou et al., 2010).

In 2010 Zhou, Yang and Hui used three dimensions to study brand value in relation to perceived brand foreignness. These dimensions were Brand Quality, Brand Social Signaling Value and Brand Leadership. These dimensions were measured using scales developed by Sweeney and Soutar in 2001 and Cheng et al. in 2007 (modified from Aaker, 1996).

Brand value evaluations have also been studied in relation to purchase decisions. Positive perceptions of brand value may help the consumers make purchase decisions through development of positive feelings regarding the brand (Kumar *et al*., 2006).

Naylor, Lamberton, & West, 2012 used a sample of undergraduate university students to prove various strategies influencing the consumer online, can have various significant impacts on brand value evaluation and thus purchase intention as well. Hence the need to study the impact of brand value on purchase intention in today's information age is all the more important.

2.4. Purchase Intention

Overwhelming influence of country of origin information exists on purchase decisions. Miller in 2011 reported about 25% consumers make purchase decisions based on COO information cues, these COO cues may drive the purchase decision in positive or negative direction.

Research reports that brands that are perceived to be non-local can affect purchase intent in three ways. Firstly, perceived non-local origin of a brand is reported to have a direct affect on purchase intent (Han, 1990). Such brands offer the consumers the opportunity to participate in the 'global consumption culture. Purchasing these products enable consumers to communicate membership in the global community at large (Hannerz, 1990 ; McCracken, 1986).

Secondly perception of foreign origin can have an indirect affect on purchase intent through brand quality (Han, 1990). This relationship was also reported in a study by Kapferer in 1997 who found consumers perceived high quality as a prerequisite to global acceptance of internationally available brands.

Lastly, perception of foreign origin may also have an indirect affect on purchase intention through brand prestige (Han, 1990). Prestige refers to consumers purchasing international brands in order to enhance their self-image, to be more sophisticated and cosmopolitan (Steenkamp et al., 2003).

Consumers in developed economies are known to sometimes prefer local products; in contrast, consumers in the developing world generally favor products of foreign origin (Batra et al., 2000).A possible explanation for western behavior may be attributed to the consumer ethnocentrism orientation, where consumers may have positive brand value perceptions regarding foreign products but might still prefer to support the local economy by purchasing local products, because they consider such behavior to be morally appropriate (Shimp and Sharma, 1987).

Some studies have reported that consumers in the developing world may not be as ethnocentric as those from the developed world; and may simultaneously carry high value perceptions of foreign products. However, some consumers in emerging economies too, are now showing inclinations towards moving away from foreign brands, in favor of local brands. This finding has been reported with some consistency in the case of Peoples Republic of China (Crocker and Tay, 2004; Zhou and Hui, 2003; Ewing et al., 2002).

This increasing trend of favoring the local brands has been attributed to patriotism, lower competing prices of local brands, ethnocentrism, government policies, better tailoring to consumer needs and fading glamour associations of foreign brands (Cui et al., 2001).

In such a scenario, especially when moderating effects like ethnocentrism, brand familiarity etc are considered, it is of vital importance to observe whether high brand value and COO perceptions attached to local and non-local brands translate into key purchase decisions.

2.5. Brand Familiarity

Prior research suggests brand familiarity may have a significant impact on purchase intention (Keller, 1998) irrespective of the origin of the brand. Brand familiarity acts as a natural prerequisite to development of other brand-related perceptions.

Traditionally, it was also believed that consumers may use familiar brands out of habit and are generally willing to pay more it these are branded products (Solomon, 2007). Such beliefs further validate the need for studying brands that are familiar to consumers in relation to purchase intention.

Research has found consumer brand value evaluations and brand familiarity congruity effects to progress in the same direction (Paasovaara et al., 2012). This means that both the characteristics of the consumer as well as how familiar the consumer is with brand may in interaction shape consumer perceptions.

Research in COO literature suggests brand familiarity is useful as a covarite (Steenkamp et al. 2003).In a study towards variation in consumer perceptions depending on consumer membership of society it was found that brand familiarity may be used as a control for potential exogenous influences (Batra et al. 2000).

However, despite the apparent importance of brand familiarity in relation to country of origin, there is a lack of studies that look into brand familiarity in COO literature (Steenkamp et al., 2003).

2.6. Gender

While exploring gender related brand perceptions and origins, research reported that men respond more to 'buy national' campaigns (Ettenson, Wagner and Gaeth,1988). Thaker and Pacheco in 1997 found women to favor glamorous brand names more than men. Samiee et al. in 2005 reported that female consumers were able to recognize brand origin of the studied brands with more accuracy than male consumers.

Research has also found that women rated foreign brands higher than men did (Wall and Heslop, 1986). Other studies have reported female respondents to have more positive views regarding local products (Sharma, Shimp and Shin, 1995). This gap in research further validates the need to study the moderating role of gender in relation to country of origin perceptions.

2.7. Ethnocentrism

Even for consumers in developing countries, foreign brands may not always be welcome. Some economies have been found to be resistant of purchasing brands that have foreign connotations. Ethnocentric consumers question the "moral appropriateness" (Shimp and Sharma, 1987) of purchasing imported/foreign products over the local ones. These consumers are patriotic as well as protective of the local economy.

One plausible reason may be that many consumption patterns are based on habits developed over the long run where the relatively recent advent of globalization has limited effect. This means the older the product category the stronger the ethnic influence (De Mooji,

2004). Other authors have explored probable reasons for purchase of local brands including the desire to uphold tradition and the need to defy the global influence in order to maintain identity (Cleveland et al., 2009).

Consumer ethnocentrism may also stem from national pride and attachment to one's own ethnicity and culture (Kaynak and Kara,2002). The ethnocentric consumers not only believe foreign products to be economically bad for their country but also consider it a threat to the local culture (Cleveland et al., 2009). Hence, these ethnocentric consumers might even make economic sacrifices, as well as compromise on brand value perceptions, in favor of positive purchase behavior for local products (Baughn and Yaprak, 1996).

Consumer ethnocentrism is a concept with very slight differences to patriotism. The terms have even been known to be used interchangeably in past research. Most commonly used study in this regard is by Shimp and Sharma in 1987. This study found that there was a backlash against purchasing imported products as this damaged the local economy and also because such purchase behavior was considered unpatriotic as well. The study also developed a tool for measuring consumer ethnocentrism called the CESTSCALE. This 17-item measure is the most common tool used to measure consumer ethnocentrism in COO literature.

Ethnocentric consumers are protective towards their own nation and may also feel of superior to other nations (Sharma et al., 1995). Hence, prior research also recommends that local brands may successfully compete with foreign marketers by utilizing their deeper understanding of the local culture and using this understanding to 'create unique value' for the target consumers (Steenkamp, Batra and Alden, 2002).

Chapter III

3. Methodology

This study investigated the relationships between foreign and local brand perceptions including brand value, perceived brand foreignness, brand familiarity and purchase intention amongst consumers of Lahore. Various demographic and socio graphic variables were also taken into account. This section outlines the methodology adopted for research. Expected signs derived from the literature review, sample details, instrument and estimation strategy are presented as follows.

3.1. Expected Signs

The expected signs of the relationships questioned in Chapter 1 have been obtained from a thorough review of literature. These are exhibited in Table 1 and 2.

Table 1: Expected signs of Brand Value and its dimensions.

Dependant Variable:	Independent Variable:	Expected Signs:	Source:
Brand Value	Brand Origin	+	Kumara and Canhua,2010; Batra et al, 2000, Steenkamp et al.,2003; Eckhardt,2005,
Brand Prestige	Brand Origin	+	Han and Terpstra, 1988; Steenkamp et al.,2003
Brand Quality	Brand Origin	+	Batra et al.,2000 ; Sweeney and Soutar, 2001 ; Zhou et al.,2010
Brand Social Signaling Value	Brand Origin	+	Batra et al.,2000; Zhou et al.,2010; Sweeney and Soutar, 2001
Brand Leadership	Brand Origin	+	Cheng et al., 2007, Aaker 1996, Zhou et al,2010
Brand Value	Perceived Brand Foreignness	+	Eckhardt, 2005; Kapferer, 1997; Batra et al.,2000; Samiee et al.2005

Table 2: Expected signs of Purchase Intention

Dependant Variable:	Independent Variable:	Expected Signs:	Source:
Purchase Intention	Ethnocentricity	+/-	Cleveland et al,2009; Shimp and Sharma, 1987, Crocker and Tay, 2004; Zhou and Hui, 2003; Ewing et al., 2002.
	Brand Familiarity	+	Paasovaara et al., 2012; Solomon, 2007; Keller, 1998, Steenkamp et al.,2003
	Perceived Brand Foreignness	+	Zhou and Belk,2004; Han, 1990
	Brand Value	+	Zhou and Wong,2008;Kumar et al., 2006;

3.2. Instrument

Questionnaire has most widely been used for data collection in country of origin studies. The questionnaire used in this study was partially developed and partially put together from multiple sources, best representing the interests of this study. Section A or consumer profile has been developed for the purpose of this study. Section B and C addresses the variables under consideration, these have been much tested using these instruments, in various different contexts across the globe. The selection of brands was guided through two focus groups so as to include the most relevant ones for the purpose of this study. Selected brands were from varying product categories in order to ensure applicability and increase generalizability of the results. Two brands were selected from each category deliberately to vary in origin while being reasonably familiar. One local and one foreign brand were selected for each product category so as to maximize probability of variance on Perceived Brand Foreignness. Availability of the selected brands was then verified through field observations. A total of10 brands were finally shortlisted to be included in the questionnaire. Table 3 includes the selected local and foreign brands. For each of

these 10 brands each respondent was requested to score each statement in section B of the questionnaire. The range for these scores was from 1 (strongly disagree) to 7(strongly agree). The items included in questionnaire section B and C can be seen in table 4 and table 5. See Appendix A for a copy of the administered questionnaire.

Table 3: Local and Foreign brands

	Product Category	Local Brand	Foreign Brand
1.	Bevereages	Shazan	Minute Maid
2.	Ice cream	Omore	Walls
3.	Clothing	Stoneage	Levis
4.	Tea	Tepal	Tetley
5.	Shoes	Service	Puma

The respective sources of various items of the instrument used in the questionnaire are quoted in the following Table 4-5.

Table 4 : Instruments for measuring independent variables

Independent Variables		Source
Percieved Brand Foreignness	I do think consumers in other countries buy this brand. To me, this brand represents something foreign. I do not associate this brand with things that are Pakistani. The appeal of this brand is a very good symbol of foreign culture.	Zhou et al. (2009) built from Batra et al. (2000) and Steenkamp et al. (2003)
Consumer Ethnocentrism	Purchasing foreign-made products is un-Pakistani. A real Pakistani should always buy domestic products. Pakistanis should not purchase imported goods, because we need to support our own economy. Pakistanis should try not to buy foreign brands whenever possible.	Batra et al. (2000), selected from original CETSCALE Scale Shimp and Sharma (1987).
Brand familiarity	This brand is very familiar to me. I'm very knowledgeable about this brand. I have seen many advertisements about this brand in Pakistani magazines and mass media such as TV.	Steenkamp et al. (2003)
Actual Brand Origin		Batra et al 2000

Table 5: Instruments for measuring dependant variables

Dependant Variable		Items	Source
Purchase Intention		I would certainly buy it (assuming it's available) I'm very likely to buy it (if available)	(Dodds et al., 1991).
Brand Value	Brand Quality	This is a very well-made brand. This brand shows a very high level of overall quality. This brand has good workmanship. This brand has consistent quality.	Sweeney and Soutar (2001)
	Brand Prestige	This is a very prestigious brand.	(Han and Terpstra, 1988)
	Brand Leadership	This is the most innovative brand in the market. This is the leading brand in the market. This brand is growing in popularity.	Aaker (1996)
	Brand social signaling value	This brand would improve the way I am perceived. This brand would make a good impression on other people. This brand would help me feel trendy/up-to-date	Sweeney and Soutar (2001)

3.2.1. Variables and their measurement

Table 6, 7 and 8 lists the constitutive and operative definition of the variables used in this study. Independent variables were: Perceived Brand Foreignness; Brand Familiarity and Consumer Ethnocentrism. Purchase Intention and Brand Value were the dependant variables. Brand Value was further studied in four dimensions; namely, Brand Prestige, Brand Quality, Brand Leadership and Brand Social Signaling Value. Demographic factors were used as control variables and we composed of gender, age, income and education level. Socioeconomic factors included Social Class, Lifestyle, Religiosity, City, State, Financial Dependence, International Trend Preference, Living Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference, Language Preference, TV Preference, Magazine Preference, Actor Preference, Visits Abroad, Friends Abroad, Relatives Abroad, Social Media and Music Preference.

Table 6: Constitutive and Operative Definition (Independent Variables)

Variable	Constitutive Definition	Operative Definition
Independent Variables		
Perceived Brand Foreignness	If the brand is perceived correctly or incorrectly to be of foreign origin.	Response to Section B item 37 to item40 for each brand. Measured by mean of a 7 point scale where 1=Strongly Disagree to 7=Strongly Agree.
Brand Origin	If the actual origin of the brand is local or foreign	Measured by foreign=1 and local=0 for each brand.
Consumer Ethnocentrism	If the respondent is averse of buying foreign products so as to not hurt the domestic economy/ jobs etc	Response to Section C item 46 to item 53 for each brand. Degree of ethnocentrism is measured by mean of a 7 point scale where 1=Strongly Disagree to 7=Strongly Agree
Brand Familiarity	If the respondent is familiar with the brand	Response to Section B item 41, 42 and 43 for each brand. Degree of familiarity is measured by mean of a 7 point scale where 1=Strongly Disagree to 7=Strongly Agree.

Table 7: Constitutive and Operative Definition (Dependent Variables)

Variable	Constitutive Definition	Operative Definition
Dependant Variables		
Brand Value	How the respondent perceives the brand to be in terms of value (encompassing quality, prestige, social signaling and leadership)	Response to Section B item 26 to item36 for each brand. Measured by mean of a 7 point scale where 1=Strongly Disagree to 7=Strongly Agree.
Brand Quality	How the respondent perceives the brand to be in terms of consistency, workmanship and make	Responses to Section B item 26 to item 29 for each brand. Measured by mean of a 7 point scale where 1=Strongly Disagree to 7=Strongly Agree.
Brand Prestige	How the respondent feels the brand adds to self-image.	Responses to Section B item 30 for each brand. Measured by mean of a 7 point scale where 1=Strongly Disagree to 7=Strongly Agree.
Brand Leadership	How the respondent perceives the respective brands in terms of innovation, popularity and market share.	Responses to Section B item 31 to item 33 for each brand. Measured by mean of a 7 point scale where 1=Strongly Disagree to 7=Strongly Agree.
Brand Social Signaling Value	How the respondent perceives the brand to add to their social standing.	Responses to Section B item 33 to item 36 for each brand. Measured by mean of a 7 point scale where 1=Strongly Disagree to 7=Strongly Agree.
Purchase Intent	If the respondent intends to purchase the brand.	Response to Section B item 44 and 45 for each brand.

Table 8: Constitutive and Operative Definition (Demographic and Socio-graphic Variables)

Variable	Constitutive Definition	Operative Definition
Demographic and Socio-graphic Variables		
Gender	Gender of respondent	Response to Sec A item 1.Measured by Male=0, Female=1.
Age	Age of respondent	Response to Sec A item 2.
Income	Monthly income level of the respondent's family.	Response to Sec A item 3.
Education	Years of education acquired by the respondent.	Response to Sec A item 4.
Social Class	Self-perception of respondent's social class.	Response to Sec A item 5.Measured by Upper Class=1, All other Classes=0.
Lifestyle	Self-perception of respondent's lifestyle.	Response to Sec A item 6.Measured by Modern=1, Conservative=0.
Religiosity	Self-perception of respondent's religiosity.	Response to Sec A item 7.Measured by Religious=1, Not religious=0.
City	If the respondent considers himself/herself to be Lahori.	Response to Sec A item 8.Measured by Lahori=1, Not Lahori=0.
State	If the respondent considers himself/herself to be Punjabi.	Response to Sec A item 9.Measured by Punjabi=1, Not Punjabi=0
Financial Dependence	If the respondent considers himself/herself to be financially independent.	Response to Sec A item 10.Measured by Independent=1, Dependent=0
International Trend Preference	If the respondent considers himself/herself to follow international trends.	Response to Sec A item 11.Measured by follow trends=1, not follow trends=0
Living Abroad	If the respondent has ever lived abroad.	Response to Sec A item 12.Measured by yes=1, not no=0
Upbringing	If the respondent grew up in an urban area	Response to Sec A item 13.Measured by yes=1, not no=0
Schooling	Which medium of instruction was used in the respondent's academic life.	Response to Sec A item 14.Measured by English=1, Urdu=0
International Clothing Preference	If the respondent preferred international clothing or wore Pakistani clothes.	Response to Sec A item 15.Measured by Pakistani=1, Western=0
Casual Clothing Preference	If the respondent preferred casual clothing over formal clothes.	Response to Sec A item 16.Measured by Casual=1, Formal=0
Language Preference	If the respondent preferred speaking English over local languages.	Response to Sec A item 17.Measured by English=1, Local Language=0
TV Preference	If the respondent preferred watching foreign or local TV programs.	Response to Sec A item 18.Measured by Pakistani=1, Foreign =0
Magazine Preference	If the respondent preferred reading foreign or local reading material.	Response to Sec A item 19.Measured by Pakistani=1, Foreign=0
Actor Preference	If the respondent's favorite actor was Pakistani or not.	Response to Sec A item 20.Measured by Pakistani=1, Foreign =0
Visits Abroad	If the respondent had ever visited other countries.	Response to Sec A item 21.Measured by yes=1, not no=0

Variable	Constitutive Definition	Operative Definition
Friends Abroad	If the respondent had any close friends outside Pakistan.	Response to Sec A item 22.Measured by yes=1, not no=0
Relatives Abroad	If the respondent had any relatives outside Pakistan.	Response to Sec A item 23.Measured by yes=1, not no=0
Social Media	If the respondent was a social media user.	Response to Sec A item 24.Measured by yes=1, not no=0
Music Preference	If the respondent preferred Pakistani music.	Response to Sec A item 25.Measured by yes=1, not no=0

3.3.   Sample

Typically, university students or market research firms have been used for data collection in COO studies. Naylor, Lamberton and West (2012) studied COO effects through a sample of 112 undergraduate students. Zhou, Yang and Hui (2010) picked a sample from undergraduate and graduate students at a university in China. Cleveland et al.(2009) used snowball sampling amongst university students across 8 countries. Kumara and Canhua (2009) judged COO perceptions by conducting interviews with 170 undergraduate students in China. Other studies used professional market research firms for data collection. These include Melnyk, Klien and Volckner(2012), Kucher, Krissoff and Harvey(2010).

Additionally, the younger generation of consumers is generally considered independent, open-minded and influenced by the global culture (Hung et al.,2007). These consumers are also known to have social and normative susceptibilities thus are suitable for COO research.

In the local context, Pakistan's demographic expansion further validates the need to study these young adults. In line with the literature, a sample of university students were selected for the purpose of researching consumer perceptions and relative purchase intents in this study.

This sample, in the local context, is expected to represent the future managerial and professional class which will form the country's next generation of elite consumers.

Randomness in the sample was ensured through picking three working days through a draw from working days of the week (all days except Sunday). Three different time slots were picked through a draw for each respective day one slot was allocated for data collection. On the selected days and selected times copies of the questionnaire were floated in various areas of the selected universities.

3.4. Data Collection

The data were collected through use of a questionnaire. Copies of the questionnaire were distributed in 3 universities of Lahore. One was the biggest public sector university in Pakistan. The other two were private sector universities specifically picked to diversify the socio-economic background of respondents. The questionnaire was self-administered. To minimize social pressures and response bias, the respondents were requested to fill questionnaire in privacy.

A total of 350 questionnaires were floated, these were all personally administered; and useable questionnaires collected were 171. The resulting response rate is approximately 49%. Each questionnaire required 233 responses because each statement had to be given a score for 10 brands. Respondent fatigue might thus be one plausible reason for the relatively smaller response rate. To check for non response bias, data was divided into two halves and a t-test was conducted on all items between the first 50% of returned questionnaires and the later 50% of returned questionnaires. No significant difference was found in the mean responses of two groups on any statement in the questionnaire.

3.5. Research Models

Following are the research models developed for the purpose of this study. Model 1 was used to answer Research Question 1(H1). It tested the impact of Brand Origin on Brand Value as a whole; as well as in relation to each identified dimension of brand value.

Model 1:

$$\text{Brand Value} = \alpha + \beta\ (BrandOrigin) + e$$

$$\text{Brand Prestige} = \alpha + \beta\ (BrandOrigin) + e$$

$$\text{Brand Quality} = \alpha + \beta\ (BrandOrigin) + e$$

$$\text{Brand Leadership} = \alpha + \beta\ (BrandOrigin) + e$$

$$\text{Brand Social Signaling Value} = \alpha + \beta\ (Brand\ Origin) + e$$

Model 2 was used to answer research question 2 (H2). Model 2 was used to check the impact of Perceived Brand Foreignness on Brand Value. The impact was also investigated after the demographic and socio-graphic variables were used as control variables.

$$\text{Brand Value} = \propto + \beta_1 (\text{Perceived Brand Foreignness}) + e$$

Brand Value =

$$\propto +\beta1(\text{Perceived Brand Foreignness}) + \beta2(\text{Gender}) + \beta3 (\text{Family Income})$$

$$+ \beta4(\text{Social Class}) + \beta5(\text{Lifestyle}) + \beta6(\text{Religiosity}) + \beta7(\text{City}) + \beta8(\text{State})$$

$$+ \beta9(\text{Financial Dependence}) + \beta10(\text{International Trend Preference})$$

$$+ \beta11(\text{Living Abroad}) + \beta12(\text{Upbringing}) + \beta13(\text{Schooling})$$

$$+ \beta14(\text{International Clothing Preference}) + \beta15(\text{Casual Clothing Preference})$$

$$+ \beta16(\text{Language Preference}) + \beta17(\text{TV Preference})$$

$$+ \beta18(\text{Magazine Preference}) + \beta19(\text{Actor Preference}) + \beta20(\text{Visit Abroad, })$$

$$+ \beta21(\text{Friends Abroad}) + \beta22(\text{Relatives Abroad}) + \beta23(\text{Social Media})$$

$$+ \beta24(\text{Music Preference}) + e$$

Model 3 was used to answer research questions 3, 4 and 5. It checked for the impact Perceived Brand Foreignness, Brand Value and Brand Familiarity had on Purchase Intention. Like previously, it was additionally checked for significance in the presence of control variables as well.

$$\text{Purchase Intention} = \propto +\beta1(\text{Percieved Brand Foreigness}) + \beta2(\text{Brand Familiarity})$$

$$+ \beta3(\text{Brand Value}) + e$$

Purchase Intention =

$$\propto\ +\beta1(\text{Percieved Brand Foreigness}) + \beta2(\text{Brand Familiarity})$$

$$+\ \beta3(\text{Brand Value}) +\ \beta4(\text{Gender}) +\ \beta5\ (\text{Family Income}) + \beta6(\text{Social Class})$$

$$+\ \beta7(\text{Lifestyle}) + \beta8(\text{Religiosity}) + \beta9(\text{City}) + \beta10(\text{State})$$

$$+\ \beta11(\text{Financial Dependence}) + \beta12(\text{International Trend Preference})$$

$$+\ \beta13(\text{Living Abroad}) + \beta14(\text{Upbringing}) + \beta15(\text{Schooling})$$

$$+\ \beta16(\text{International Clothing Preference}) + \beta17(\text{Casual Clothing Preference})$$

$$+\ \beta18(\text{Language Preference}) + \beta19(\text{TV Preference})$$

$$+\ \beta20(\text{Magazine Preference}) + \beta21(\text{Actor Preference}) + \beta22(\text{Visit Abroad, })$$

$$+\ \beta23(\text{Friends Abroad}) + \beta24(\text{Relatives Abroad}) + \beta25(\text{Social Media})$$

$$+\ \beta26(\text{Music Preference}) + e$$

Model 4 was used to answer research question 6. It checked the impact of Ethnocentrism on Purchase Intention of both foreign and local brands.

Model 4 was used to answer research question 6. It checked the impact of Ethnocentrism on Purchase Intention of both foreign and local brands.

$$\text{Purchase Intention}_{(\text{foreign brands})}\ =\propto\ +\beta1(\text{Ethnocetricity}) + e$$

Purchase Intention$_{\text{(foreign brands)}}$ =

$\propto$ +β1(Ethcentricity) + β2(Gender) + β3 (Family Income) + β4(Social Class) +

β5(Lifestyle) + β6(Religiosity) + β7(City) + β8(State) +

β9(Financial Dependence) + β10(International Trend Preference) +

β11(Living Abroad) + β12(Upbringing) + β13(Schooling) +

β14(International Clothing Preference) + β15(Casual Clothing Preference) +

β16(Language Preference) + β17(TV Preference) + β18(Magazine Preference) +

β19(Actor Preference) + β20(Visit Abroad,) + β21(Friends Abroad) +

β22(Relatives Abroad) + β23(Social Media) + β24(Music Preference) + e

Purchase Intention$_{\text{(local brands)}}$ =$\propto$ +β1(Ethnocetricity) + e

Purchase Intention$_{\text{(local brands)}}$ =

$\propto$ +β1(Ethcentricity) + β2(Gender) + β3 (Family Income) + β4(Social Class) +

β5(Lifestyle) + β6(Religiosity) + β7(City) + β8(State) +

β9(Financial Dependence) + β10(International Trend Preference) +

β11(Living Abroad) + β12(Upbringing) + β13(Schooling) +

β14(International Clothing Preference) + β15(Casual Clothing Preference) +

β16(Language Preference) + β17(TV Preference) + β18(Magazine Preference) +

β19(Actor Preference) + β20(Visit Abroad,) + β21(Friends Abroad) +

β22(Relatives Abroad) + β23(Social Media) + β24(Music Preference) + e

Chapter IV

4. Analysis of Data

In previous chapters, the topic of research was introduced and the research objectives were outlined, an in-depth review of the literature related to perceptions and purchase intention stemming from origin based extrinsic cues was presented. The methodology used in this study was also discussed. This chapter presents the results of the quantitative analysis of the collected survey data. The first section contains descriptive statistics. The second section presents results based on inferential statistics.

4.1. Respondent Profiling

Overall the sample consisted of 171 eligible responses. Of these 59% were male respondents. The age group of these respondents varied between19-35 and all had at least 14 years of education. This research study was based on perceptions. Hence, on most sociodemographic characteristics, data was gathered based on respondents' self perception, for better profiling of the future managerial and professional elite of Pakistan. Thirty five percent of the overall respondents perceived themselves to belong to the upper class while a majority (sixty five percent) considered that they did not fall into the upper socio-economic class of society. Fifty six percent of the respondents perceived themselves to be modern. Roughly eighty percent of the respondents were not comfortable using English to converse with friends. Interestingly, about seventy percent identified themselves to be religious in daily matters. As expected, a vast majority (over ninety percept) reported to have urban upbringing. Sixteen percent reported to be financially independent. A majority of the respondents reported to be active users of social media. More of these statistics are reported in Table 9 a.

Table 9 a: Descriptive Statistics: Respondent Profiling

Variable		Frequency	Percent
Gender	Male	102	59.65
	Female	69	40.35
Social Class	Upper Class	61	35.67
	All other classes	110	64.33
Lifestyle	Modern	99	57.89
	Conservative	72	42.11
Religiosity	Religious	121	70.76
	Not Religious	50	29.24
City	Lahori	123	71.93
	Not Lahori	48	28.07
State	Punjabi	142	83.04
	Not Punjabi	29	16.96
Financial Dependence	Earning	27	15.79
	Dependent	144	84.21
International Trend Preference	Yes	124	72.51
	No	47	27.49
Live Abroad	Yes	60	35.09
	No	111	64.91
Upbringing	Urban	158	92.40
	Rural	13	7.60
Schooling	English Medium	128	74.85
	Urdu Medium	43	25.15
Int Clothing Preference	Pakistani	93	54.39
	Western	78	45.61
Casual Clothing Preference	Casual	156	91.23
	Formal	15	8.77
Language	English	34	19.88
	Urdu	137	80.12
TV	Western	63	36.84
	Pakistani	108	63.16
Books/Magazines	Foreign	129	75.44
	Pakistani	42	24.56
Actor	Foreign	146	85.38
	Pakistani	25	14.62
Visit Abroad	Yes	117	68.42
	No	54	31.58
Friends Abroad	Yes	130	76.02
	No	41	23.98
Relative Abroad	Yes	148	86.55
	No	23	13.45
Social Media	Yes	154	90.06
	No	17	9.94
Music	Foreign	119	69.59
	Pakistani	52	30.41

Table 9 b is a summary of means of the dependent and independent variables under observation in this study. While filling the questionnaire each respondent was asked to respond to each item a rating number on the likert scale ranging from 1(strongly disagree) to 7(strongly agree) for each of the 10 brands. The minimum for each variable is the smallest average of the respondents' rating for 10 brands for a particular variable. Similarly the maximum is the biggest average of the respondents' response for 10 brands. The mean reported is of the average value of all brands for each respondent, for the respective variable. The smallest mean is of ethnocentricity and the biggest is that of brand familiarity.

Table 9 b: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Brand Value	171	2.61	6.62	4.5442	.77581
PBF	171	1.35	7.00	4.0414	.97421
Purchase Intention	171	1.00	7.00	4.3007	1.03480
Brand Familiarity	171	1.00	6.97	4.5592	.99531
Ethnocentricity	171	1.00	7.00	3.7047	1.64131

4.1. Research Question 1

A linear regression was run with Brand Value as the dependent variable and Brand Origin as the independent variable. The results are reported in table 10 a. The table shows that the regression model is significant overall. Adjusted R^2 for this model was 0.081, with F = 31.418 significant at 0.000. The impact of Brand Origin (p-value =0.000) was significant factor at 0.05 level. This regression showed the origin of a brand to be a significant predictor of the resulting brand value perception amongst consumers in Lahore (Table 10 a). The resulting equation was:

$$Brand\ Value = 4.288 + 0.505(Brand\ Origin) + e$$

Table 10 a: Brand Origin and Brand Value

	Unstandardized Coefficients	p-value	R^2	Adjusted R^2	F	p-value
Constant	4.288	.000	.084	.081	31.418	.000
Brand Origin	.505	.000				
Dependent Variable: Brand Value						

This study also catered for four dimensions of Brand Value in relation to brand origin. Namely, these are Brand Prestige, Brand Quality, Brand Leadership and Brand Social Signaling Value. Linear regression was run multiple times and the results are reported in table 10 b. Table 10 b shows the significance of brand origin in relation with each dimension of brand value. Each dimension (p-value =0.000) was significant factor at 0.05 level. Brand origin was the independent variable in each regression. The biggest Adjusted R^2 (0.078)was from the linear regression where Brand Prestige was the dependent variable, with F = 30.089 significant at 0.000.Brand Quality when studied as the dependent variable with Brand Origin as the independent variable had the adjusted R^2 0.049, with F =18.749 significant at 0.000.Similar regression was run with Brand Leadership as the dependent variable while Brand Origin was studied as the independent variable. The regression had the adjusted R^2 0.054, with F =20.694 significant at 0.000.

Table 10 b: Brand Origin and Dimensions of Brand Value

		Unstandardized Coefficient	p-value	R^2	Adjusted R^2	F	p-value
Prestige	Constant	4.368	0.000	0.080	0.078	30.089	0.000
	Brand Origin	0.622	0.000				
Quality	Constant	4.572	0.000	0.052	0.049	18.794	0.000
	Brand Origin	0.438	0.000				
Leadership	Constant	4.238	0.000	0.057	0.054	20.694	0.000
	Brand Origin	0.463	0.000				
Social Signaling Value	Constant	3.933	0.000	0.060	0.057	21.901	0.000
	Brand Origin	0.596	0.000				

The last row of the table reports data on the regression run with Brand Social Signaling Value as the dependent variable while Brand Origin was studied as the independent variable. This regression had the adjusted R^2 0.057, with F =21.901 significant at 0.000.The resulting equations were:

$$\text{Brand Prestige} = 4.368 + 0.622 \text{ (Brand Origin)} + e$$

$$\text{Brand Quality} = 4.572 + 0.438 \text{ (Brand Origin)} + e$$

$$\text{Brand Leadership} = 4.238 + 0.463 \text{ (Brand Origin)} + e$$

$$\text{Brand Social Signaling Value} = 3.933 + 0.596 \text{ (Brand Origin)} + e$$

In light of these results hypothesis 1 cannot be rejected. A significant relationship was found between each dimension of brand value and brand origin; as well as between brand value overall and brand origin.

4.2. Research Question 2

This research question explored the relationship between Perceived Brand Foreignness and Brand Value. A linear regression was run with Brand Value as the dependent variable and Perceived Brand Foreignness was the independent variable. Table 11 a shows that the regression model was significant overall. Adjusted R^2 for this model was 0.435. The impact of Perceived Brand Foreignness (p-value =0.000) was a significant factor at 0.05 level.

Table 11 a: Perceived Brand Foreignness and Brand Value

	Unstandardized Coefficients	p-value	R^2	Adjusted R^2	F	p-value
Constant	2.414	.000	.438	.435	131.705	.000
Perceived Brand Foreignness	.527	.000				
Dependent Variable: Brand Value						

The resulting equation was:

$$\text{Brand Value} = 2.414 + 0.527 \ (\text{Perceived Brand Foreignness}) + e$$

This regression showed Perceived Brand Foreignness was a significant predictor of Brand Value amongst the sampled consumers in Lahore (Table 11 a). A unit increase in Perceived Brand Foreignness was found likely to increase the Brand Value perception by 0.527 units.

The relationship between Perceived Brand Foreignness and Brand Value remained significantly positive in the presence of control variables. The detailed results are reported in table 11 b. Females were found to perceive higher brand value for the total 10 as compared to male respondents regardless of the distinction of foreignness of brand.

The sociodemographic variables introduced with exploratory intentions also brought interesting factors to light. Both city and state were significant factors at 0.05 level. The results show that those who did not consider themselves to be Lahori were likely to give higher score to brand value of the total 10 brands. Interestingly, the results for the state variable show that Punjabis perceive higher Brand Value collectively for the 10 brands as compared to those who considered themselves non-Punjabis.

Table 11 b shows that the regression model is significant overall. Adjusted R^2 for this model was 0.451 with F=3.336 significant at 0.000. The impact of Perceived Brand Foreignness (p-value =0.000), Gender (p-value=0.018), City (0.031) and State (0.024) were found significant predictors of Brand Value.

The resulting equation found was:

$$
\begin{aligned}
\text{Brand Value} =\ & 1.824 + 0.501\,(\text{Perceived Brand Foreignness}) + .267\,(\text{gender}) + .020\,(\text{age}) \\
& + .009(\text{income}) - .027\,(\text{education}) - .116\,(\text{socialclass}) + .081(\text{lifestyle}) \\
& + .006\,(\text{religiosity}) - .245\,(\text{city}) + .294(\text{state}) + .064(\text{Fdependance}) \\
& - .045(\text{trends}) + .160(\text{liveabroad}) + .342\,(\text{urbanupbrining}) - .260(\text{schooling}) \\
& + .071(\text{pakiclothes}) + .208(\text{casualclothes}) + .206(\text{language}) - .067(\text{TV}) \\
& - .148(\text{magazine}) - .098(\text{actor}) - .070(\text{visitabroad}) + .078(\text{friendsabroad}) \\
& - .041(\text{relativesabroad}) + .254(\text{soialmedia}) + .113\,(\text{music}) + \text{e}
\end{aligned}
$$

Table 11 b: Perceived Brand Foreignness and Brand Value with control variables

Independent Variable	Unstandardized Coefficients	p-value	R^2	Adjusted R^2	F	p-value
(Constant)	1.824	.007				
PBF	.501	.000				
gender	.267	.018				
Age	.020	.411				
Income	.009	.658				
Edu	-.027	.287				
SClass	-.116	.245				
Lifestyle	.081	.421				
Religiosity	.006	.955				
City	-.245	.031				
State	.296	.024				
FDependance	.064	.680				
Trends	-.045	.683				
LiveAbrd	.160	.144	.535	.451	6.336	.000
urbnUpbringing	.342	.085				
schooling	-.260	.347				
PakiClothes	.071	.508				
CasualClothes	.208	.226				
Language	.026	.839				
TV	-.067	.545				
Mag	-.148	.247				
Actor	-.098	.540				
VisitAbrd	-.070	.542				
FrndsAbrd	.078	.494				
RelaAbrd	-.041	.790				
SocialMedia	.253	.113				
Music	.113	.360				
Dependent Variable: Brand Value						

In the light of these results, this study failed to reject both hypothesis 2a and 2b were both accepted. Perceived Brand Foreignness was found to be a significant predictor of Brand Value. This relationship remained positive in the presence of control variables (Gender, Monthly Family Income, Social Class, Lifestyle, Religiosity, City, State, Financial Dependence, International Trend Preference, Living Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference, Language Preference, TV Preference, Magazine Preference, Actor Preference, Visit Abroad, Friends Abroad, Relatives Abroad, Social Media and Music).

4.3. Research Question 3, 4 and 5.

This research question explored the impact of Perceived Brand Foreignness, Brand Familiarity and Brand Value on the Purchase Intent of the respondents.

A linear multiple regression was run with Purchase Intent as the dependant variable; while Perceived Brand Foreignness, Brand Familiarity and Brand Value were the independent variables. The results are reported in Table 12 a. The table shows that the linear multiple regression model is significant overall. Adjusted R^2 for this model was 0.546. The impact of (PBF) Perceived Brand Foreignness (p-value =0.003), Brand Familiarity (p-value=0.000) and Brand Value (0.001) were found significant factors at 0.05 level. A unit increase in PBF was found likely to increase the Purchase Intent by 0.223, while a unit increase in Brand Familiarity and Brand Value was found likely to increase Purchase Intent by 0.419 and 0.34 units respectively.

The resulting equation is:

Purchase Intention= .056 + 0.223(Perceived Brand Foreignness) + 0.419(Brand Familiarity)

$$+ 0.340(\text{Brand Value}) + e$$

Table 12 a: PBF, Brand Familiarity, Brand Value and Purchase Intention

Independent Variable	Unstandardized Coefficients	p-value	R^2	Adjusted R^2	F	p-value
Constant	.056	.863				
Perceived Brand Foreignness	.223	.003	.554	.546	69.284	.000
Brand Familiarity	.419	.000				
Brand Value	.340	.001				
Dependent Variable: Purchase Intention						

A significant positive relationship was found between Perceived Brand Foreignness and Purchase Intent. There also exists a significant positive relationship between Brand Familiarity and Purchase Intent. The relationship between Brand Value and Purchase Intent is significantly positive as well. These results indicate that hypothesis H3 (a), H4 (a) and H5 (a) could not be rejected.

After Perceived Brand Foreignness, Brand Familiarity and Brand Value are studied in relation to Purchase Intention this research further tried to enhance understanding by adding to the equation the respondents' demographic and socio-graphic factors as control variables.

Table 12 b shows the results. The table shows that the regression model is significant overall. Due to the presence of control variables, the results showed slight differences. The Adjusted R^2 for this model was 0.543. The impact of Perceived Brand Foreignness (p-value =0.009), Brand Familiarity (p-value=0.000), Brand Value (p=0.001) and Urban Upbringing (p-value = 0.002) were found to be the significant predictors of purchase intention. Respondents with rural upbringing were found to show, on average, higher purchase intention collectively for all brands.

The resulting equation was found to be:

Purchase Intention
$$
\begin{aligned}
&= .659 + 0.213(\text{Perceived Brand Foreignness}) + 0.371(\text{Brand Familiarity}) \\
&+ .392(\text{Brand Value}) + .119 \,(\text{gender}) + .011 \,(\text{age}) + .007 \,(\text{income}) \\
&+ .038 \,(\text{education}) - .120 \,(\text{socialclass}) - .036 \,(\text{lifestyle}) - .061(\text{religiosity}) \\
&+ .125 \,(\text{city}) + .119 \,(\text{state}) - .272 \,(\text{Fdependance}) - .001 \,(\text{trends}) \\
&- .112 \,(\text{liveabroad}) - .765 \,(\text{urbanupbrining}) - .169 \,(\text{schooling}) \\
&+ .057 \,(\text{pakiclothes}) + .119 \,(\text{casualclothes}) - .270 \,(\text{language}) - .042 \,(\text{TV}) \\
&- .049 \,(\text{magazine}) + .099 \,(\text{actor}) + .049 \,(\text{visitabroad}) - .081 \,(\text{friendsabroad}) \\
&+ .285(\text{relativesabroad}) - .020 \,(\text{soialmedia}) + .025(\text{music}) + e
\end{aligned}
$$

These results pertaining to H3 (b), H4 (b) and H5 (b) lead us to fail to reject these hypothesis. The relationships between Perceived Brand Foreignness and Purchase Intent; between Brand Familiarity and Purchase Intent and between Brand Value and Purchase Intent were found significantly positive.

These relationships remained significantly positive when tested in the presence of demographic and socio graphic factors(Gender, Age, Monthly Family Income, Social Class, Lifestyle, Religiosity, City, State, Financial Dependence, International Trend Preference, Living Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference, Language Preference, TV Preference, Magazine Preference, Actor Preference, Visit Abroad, Friends Abroad, Relatives Abroad, Social Media and Music).

Table 12 b:PBF, Brand Familiarity, Brand Value and Purchase Intention with control variables

Independent Variable	Unstandardized Coefficients	p-value	R^2	Adjusted R^2	F	p-value
(Constant)	.659	.429				
PBF	.213	.009				
BF	.371	.000				
brand value	.392	.001				
gender	.119	.393				
Age	.011	.712				
Income	.007	.385				
Edu	.038	.229				
SClass	-.120	.328				
Lifestyle	-.036	.767				
Religiosity	-.061	.650				
City	.125	.374				
State	.119	.460				
FDependance	-.272	.153				
Trends	-.001	.993	.619	.543	8.165	.000
LiveAbrd	-.112	.403				
urbnUpbringing	-.765	.002				
schooling	.169	.618				
PakiClothes	.057	.662				
CasualClothes	.119	.572				
Language	-.270	.087				
TV	-.042	.754				
Mag	.021	.890				
Actor	.099	.610				
VisitAbrd	.049	.723				
FrndsAbrd	-.081	.560				
RelaAbrd	.285	.126				
SocialMedia	-.020	.919				
Music	.025	.868				
Dependent Variable: Brand Value						

4.4. Research Question 6

This research question studied the impact of ethnocentricity on the purchase intention. A linear regression was run with ethnocentricity at the independent variable and Purchase Intention of foreign brands as the dependent variable. Results are displayed in Table 13 a. The table shows that the regression model was not significant. The Adjusted R^2 was 0.03 with F=0.411 and the related p-value was 0.522.

The resulting equation was:

$$\text{Purchase Intention}_{(\text{foreign brands})} = 4.376 + 0.035(\text{Ethnocetricity}) + e$$

Table 13 a: Ethnocentricity and Purchase Intention of foreign brands

Independent Variable	Unstandardized Coefficients	p-value	R^2	Adjusted R^2	F	p-value
Constant	4.376	0.000	0.002	0.03	.411	.522(a)
Ethnocentricity	0.035	0.522				
Dependent Variable: Purchase Intention$_{(\text{Foreign Brands})}$						

Since the model was not statistically significant at p>0.05 , we failed to find a significant relationship as hypothesized in 6 (a). In line with the literature a significantly negative relationship was expected. The results imply that consumers in Lahore do not avoid purchase of foreign products solely because they score high on ethnocentric sentiments.

The nature of the relationship between purchase intention of foreign brands and ethnocentricity was tested in the presence of control variables as well. The results are reported in table 13 b. The results show that the regression model remained not significant overall.

The resulting equation was:

Purchase Intention$_{\text{(foreign brands)}}$ =1.024 + .084(Ethnocetricity) + .321 (gender) + .039 (age) − .009 (income) + .026 (education) − .088 (socialclass) + .043(lifestyle) + .189 (religiosity) − .233 (city) + .466 (state) − .159 (Fdependance) − .050 (trends) − .257 (liveabroad) + .094 (urbanupbrining) − .005 (schooling) − .054 (pakiclothes) + .623(casualclothes) − .623 (language) − .031 (TV) + .125 (magazine) − .330 (actor) + .036 (visitabroad) − .071 (friendsabroad) + .621 (relativesabroad) + .685 (socialmedia) − .304 (music) + e

Table 13 b: Ethnocentricity and Purchase Intention of foreign brands with control variables

Independent Variable	Unstandardized Coefficients	p-value	R^2	Adjusted R^2	F	p-value
(Constant)	1.024	.444				
Enthno	.084	.176				
gender	.321	.175				
Age	.039	.437				
Income	-.009	.046				
Edu	.026	.636				
SClass	-.088	.664				
Lifestyle	.043	.836				
Religiosity	.189	.403				
City	-.233	.314				
State	.466	.092				
FDependance	-.159	.618				
Trends	-.050	.827				
LiveAbrd	-.257	.231	.209	.050	1.315	.161
urbnUpbringing	.094	.808				
Schooling	.005	.993				
PakiClothes	-.054	.809				
CasualClothes	.623	.101				
Language	-.201	.440				
TV	.031	.892				
Mag	.125	.648				
Actor	-.330	.323				
VisitAbrd	.036	.872				
FrndsAbrd	-.071	.765				
RelaAbrd	.621	.046				
SocialMedia	.685	.031				
Music	-.304	.252				

Dependent Variable: Purchase Intention (foreign brands)

In the light of the results we failed to find a significant relationship like hypothesized in 6 (a) and 6(b). There was found no significant relationship between ethnocentricity and purchase intent of foreign brands. There remains no statistical significance of the regression between ethnocentricity as the independent variable and purchase intention of foreign brands as the dependent variable in the presence of demographic and socio-graphic factors. This implies that ethnocentricity amongst consumers in Lahore has no impact on their purchase intent for foreign brands.

This research question also addressed the relationship between ethnocentricity and purchase intention for local brands. A linear regression was run with ethnocentricity as the independent variable and purchase intention for local brands as the dependant variable. The results are reported in table 13 c. The table shows that the model is significant overall. Adjusted R^2 for the model is 0.019. F-value was 4.288 with an overall significance of 0.040.One unit change in ethnocentricity will bring about a 0.108 unit change in purchase intention. The resulting equation was:

Purchase Intention$_{(local brands)}$ $=3.659 + 0.108$(Ethnocetricity) + e

Table 13 c: Ethnocentricity and Purchase Intent of Local Brands

Independent Variable	Unstandardized Coefficients	p-value	R^2	Adjusted R^2	F	p-value
Constant	3.659	0.000	0.024	0.019	4.288	.040(a)
Ethnocentricity	0.108	0.040				
Dependent Variable: Purchase Intention$_{(Local Brands)}$						

A linear multiple regression was run with ethnocentricity as the independent variable and purchase intention of local brands as the dependent variables. The Gender, Monthly Family Income, Social Class, Lifestyle, Religiosity, City, State, Financial Dependence, International Trend Preference, Living Abroad, Upbringing, Schooling, International Clothing Preference, Casual Clothing Preference, Language Preference, TV Preference, Magazine Preference, Actor Preference, Visit Abroad, Friends Abroad, Relatives Abroad, Social Media and Music were included in the model as the control variables. Because of the presence of control variables the results are somewhat different.

Results are reported in table 13 d. From the table it can easily be observed that the model is overall significant. The adjusted R^2 is 0.146 where the F-value is 1.875 at a significance level of 0.014.

Interestingly the results show purchase intention is high for those respondents who are frequent users of social media as well as those who have close relatives based abroad (p-values 0.044 and 0.020 respectively).

The resulting equation was :

Purchase Intention$_{\text{(foreign brands)}}$ $=1.151 + .153(\text{Ethnocetricity}) + .336 \,(\text{gender}) - .002 \,(\text{age}) - .012 \,(\text{income}) + .113 \,(\text{education}) - .066 \,(\text{socialclass}) - .297 \,(\text{lifestyle}) - .297 \,(\text{religiosity}) + .288 \,(\text{city}) + .327 \,(\text{state}) - .233 \,(\text{Fdependance}) - .178 \,(\text{trends}) - .239 \,(\text{liveabroad}) - .523 \,(\text{urbanupbrining}) - .199 \,(\text{schooling}) - .169 \,(\text{pakiclothes}) + .564(\text{casualclothes}) - .051 \,(\text{language}) + .115 \,(\text{TV}) - .139 \,(\text{magazine}) - .011 \,(\text{actor}) - .028 \,(\text{visitabroad}) - .083 \,(\text{friendsabroad}) + .749 \,(\text{relativesabroad}) + .710 \,(\text{socialmedia}) - .139 \,(\text{music}) + \text{e}$

Table 13 d: Ethnocentricity and Purchase Intention of Local Brands with control variables

Independent Variable	Unstandardized Coefficients	p-value	R^2	Adjusted R^2	F	p-value
(Constant)	.151	.912				
Enthno	.153	.016				
gender	.336	.149				
Age	-.002	.969				
Income	012	.621				
Edu	.113	.079				
SClass	-.066	.744				
Lifestyle	-.297	.145				
Religiosity	.207	.350				
City	.288	.218				
State	.327	.217				
FDependance	-.233	.462				
Trends	-.178	.417				
LiveAbrd	-.239	.267	.313	.146	1.875	.014
urbnUpbringing	-.523	.158				
schooling	.199	.699				
PakiClothes	.169	.425				
CasualClothes	.564	.119				
Language	-.051	.843				
TV	.115	.620				
Mag	-.139	.610				
Actor	-.011	.973				
VisitAbrd	-.028	.901				
FrndsAbrd	-.083	.737				
RelaAbrd	.749	.020				
SocialMedia	.710	.044				
Music	.139	.603				
Dependent Variable: Purchase Intention (Local Brands)						

Table 14 shows the summary of results found. As expected brand origin had a significantly positive relationship with brand value in general as well as with each dimension of brand value. Perceived brand foreignness was also positively related with brand value perceptions. This relationship holds in the presence of sociodemographic variables. Perceived brand foreignness, brand familiarity and brand value all had a significant positive relationship with purchase

intention. All three relationships were still significant in the presence of sociodemographic

variables. Interestingly, ethnocentricity was found to have a weak relationship with purchase

intention. This is discussed in more detail in Chaper V.

Table 14: Summary of results

Hypothesis related to organizational factors	Decision	Table
Hypothesis 1		
All four components of Brand Value (Brand Prestige, Brand Quality,Brand Leadership and Brand Social Signaling) as well as Brand Value overall will have a significant positive relationship with foreign Brand Origin.	accepted	Table 9 a & Table 9 b
Hypothesis 2		
a) The relationship between Perceived Brand Foreignness and perceived Brand Value is significantly positive.	accepted	Table 10 a
b) The relationship between Perceived Brand Foreignness and perceived Brand Value is significantly positive in the presence of control variables.	accepted	Table 10 b
Hypothesis 3		
a) Perceived Brand Foreignness will have a significantly positive relationship with Purchase Intent.	accepted	Table 11 a
b) Perceived Brand Foreignness will have a significantly positive relationship with Purchase Intent in the presence of control variables.	accepted	Table 11 b
Hypothesis 4		
a) Brand Familiarity will have a significantly positive relationship with Purchase Intention.	accepted	Table 11 a
b) Brand Familiarity will have a significantly positive relationship with Purchase Intention in the presence of control variables.	accepted	Table 11 b
Hypothesis 5		
a) There exists a significantly positive relationship between perceived Brand Value and Purchase Intention.	accepted	Table 11 a
b) There will be a significant positive relationship between Brand Value and Purchase Intent in the presence of control variables.	accepted	Table 11 b
Hypothesis 6		
a) There will be a significantly negative relationship between Ethnocentricity and Purchase Intention of Foreign Brands.	rejected	Table 12 a
b) The relationship between Ethnocentricity and Purchase Intention of Foreign Brands will be significantly negative in the presence of control variables.	rejected	Table 12 b
c) There will be a significantly positive relationship between Ethnocentricity and Purchase Intention of Local Brands	accepted	Table 12 c
d) The relationship between Ethnocentricity and Purchase Intention of local Brands will be significantly positive in the presence of control variables.	accepted	Table 12 d

Chapter V

5. Conclusion

One of the most persistent concerns in international marketing is if the country of origin makes the product more desirable for the consumer or not (Koschate-Fischer et al.,2012). Considering origin based cues of a brand are likely to act as an influence on consumers' evaluations, it is worth researching what effects it has on consumer evaluations and how these effects collectively shape the consumers purchase decisions. A myriad of tools and strategies have been developed to try to affect this consumer choice process positively. These include strategies incorporated in designing the marketing mix, advertising, retail marketing and (more recently) social media marketing.

This research study focus was on understanding Lahori consumers' perceptions regarding foreign or local origin of brands. These origin based perceptions were then studied in relation to brand value evaluations. Eventually the likelihood of purchase was studied in relation to origin based cues and the resulting value evaluations; amongst consumers in Lahore, Pakistan.

5.1. Brand Origin and Brand Value

Brand origin is vastly recognized as an extrinsic cue in the marketing environment (Kumara and Canhua, 2010). Consumers interpret extrinsic (intangible) as well as intrinsic (tangible) cues in a combination of different, complex ways. This set of information then plays a significant part in the consumers' perception building, which eventually plays its part in the resulting purchase behavior. This study specifically studied the impact of brand origin on the consumers' perception of brand value.

Prior research reports that multiple value dimensions might be differentially weighted for various customers and thus multiple dimensions better facilitate consumer behavior understanding. Four dimensions of brand value were, thus, studied in relation to brand origin. The four dimensions of brand value were brand prestige, brand quality, brand leadership and brand social signaling value.

This study found that brand origin had a significant impact on brand prestige, brand quality, brand leadership and brand social signaling value. Brand prestige was positively related to brand origin i.e. consumers had higher perceptions of prestige if the origin of brand was foreign or non-local. This study found that consumers rate foreign brands to have better quality. Our findings also included better leadership and social signaling evaluations for foreign as compared to local brands.

Collectively, it was found consumers in Lahore had better brand value perceptions for foreign brands as compared to local brands. This could be mostly attributed to brand prestige as amongst the brand value dimensions, brand prestige was found to be the most affected by brand origin (it had biggest positive coefficient and the biggest R^2 value amongst all dimensions of brand value).

5.2. Perceived Brand Foreignness and Brand Value

Some brands capitalize on better brand value perceptions through creating foreign connotations about these brands. This can be observed all across the globe; as well as in Pakistan. Eckhardt(2005) reported this to be more relevant for brands which operated in specific product categories.

Japanese fashion designer Issey Miyake's perfume collection has French names to attempt to capitalize on the French perfume perceptions. Engro foods launched operations in Pakistan with Olpers, a milk brand which was positioned to be international. This research, hence, took into account the construct of 'Perceived Brand Foreignness' and its relationship with brand value perceptions.

Perceived brand foreignness was found to have a significantly positive relationship with brand value evaluations. In line with the literature on developing countries, the results indicate that consumers of Lahore feel that the brand has better prestige, quality, leadership and social signaling if perceived foreignness is high. There may be several plausible reasons including positive past experiences with foreign products (Zhou et al., 2010), glamour association with foreign products due to exposure through the media (Batra et al., 2000), the need for consumers to feel more cosmopolitan, sophisticated and well travelled; and the innate instinct to value expensive and scarce products more than the readily available ones (Cleveland and Laroche 2009).

This research study also studied the relationship between perceived brand foreignness in relation to brand value evaluations with the demographic background as well. Sharma, Shimp and Shin (1995) reported females had more favorable perceptions concerning local brands relative to foreign ones. Wall and Heslop (1986) reported female respondents to rate foreign products higher than local products. The findings of this research proved to be different. Results indicated that females held more positive brand value evaluations irrespective of foreignness of brands.

5.3. Purchase Intention

The ultimate goal of the entire marketing function is to create demand. The short term goal (purchase transaction) as well as the long term goal (consumer loyalty or repeat purchase behavior while attracting new consumers) both seem to revolve around the purchase behavior of the target consumer.

Traditionally country of origin studies have studies COO effects in relation to brand value evaluations (Sweeney and Soutar,2001). This research used purchase intention as a dependent variable in hopes of bringing to light insights beyond those generated by product evaluations alone. This study, hence, took purchase intention as an indicator of consumer purchase behavior in general and researched various factors relating it to origin based information cues in the marketing environment. Research found that companies in the developing world make marketing strategies to position their brands to be international. Such strategies are geared towards encouraging purchase through perceptions of better quality and higher prestige as well as give consumers the chance to feel more glamorous and cosmopolitan(Han, 1990; Hannerz, 1990). This is especially true for developing economies where status and social standing are given more importance (Batra et al., 2000).

5.3.1. Perceived Brand Foreignness and Purchase Intention

Local brands in Pakistan have been known to use various strategies to as to position their brands to be foreign. Zhou, Yang and Hui (2010) found local brands in China to use foreign sounding names to create a higher brand value perception. It was worth researching such value perceptions in relation to likelihood of purchase.

This research found Perceived brand foreignness to have a significantly positive relationship with purchase intention. Results indicate that consumers in Lahore not only associate higher value with brands of foreign origin but the chance of a purchase transaction is also bigger if the consumer perceives the brand to originate from outside Pakistan.

5.3.2. Brand Familiarity and Purchase Intention

Paasovaara et al. (2012) reported that consumer demographic and socio-graphic characteristics together with brand familiarity shape other brand related perceptions. Solomon (2007) reported that consumers are willing to pay a price premium for familiar products and avoid purchase of unfamiliar ones. Koschate-Fischer et al.(2012), on the contrary, reported country of origin to effect the purchase decisions of consumers in Germany regardless of brand familiarity. It was important, thus, to include brand familiarity to test what relationship existed between purchase intention and brand familiarity for the consumers in Lahore.

This research studied purchase intention as the dependent variable while brand familiarity was the independent variable. There exists a significantly positive relationship between brand familiarity and purchase intention. Results thus indicate that a strong relationship exists between purchase intention and brand familiarity and that consumers in Lahore have a higher purchase intention for more familiar brands.

5.3.3. Brand value and purchase intention

A foreign brand image enhances the brands perceived value amongst Lahori consumers; as reported earlier in this study. However, it was still important to investigate if this perceived value also lead to a positive purchase behavior.

Purchase intention was studied as the dependent variable and brand value as an independent variable and a significantly positive relationship was found.In light of these results it is safe to predict a positive purchase behavior if brand value perceptions are high amongst consumers of Lahore.

5.4. Ethnocentricity and purchase intention of foreign brands

Purchase behavior is the result of a complex permutation of information cues, consumers' past experience, value system, lifestyle choices and many more factors. This study focused cues that are based on the local or foreign origin of the brands. Different facets of such cues that are a part of this research study include perceptions about foreign or local brands; the degree of perceived 'foreignness' of the brand and its affects; the value one expected to derive from consumption and the effect of brand familiarity. This section comprises of the relationship between ethnocentricity and purchase intention of foreign brands.

The role of ethnocentrism has been studied across the globe. It is expected that highly ethnocentric consumers will avoid purchasing foreign brands simply because it seems morally inappropriate as it hurts the domestic economy, domestic jobs and some even consider it to be a threat to the local culture.

Ethnocentricity is especially relevant to a developing and populous country like Pakistan. It is also of interest as Pakistan is known to have a polarized society where modernity, ethnicity and nationalism co-exist alongside vehement religious movements. Thus, it was all the more important to account for ethnocentric sentiments amongst consumers of Lahore, Pakistan and their effect on purchase behavior of foreign as well as local brands.

For the purpose of this research purchase intention regarding foreign brands was the dependent variable and ethnocentricity was the independent variable. A significantly negative relationship was expected. However, no significant relationship was found between purchase intention of foreign brands with ethnocentricity. Results indicated that consumers of Lahore, Pakistan did not avoid purchase of foreign products irrespective of the level of ethnocentricity.

Future research is required to gain deeper understanding. Some plausible explanations are discussed henceforth. Consumer ethnocentrism is known to stem from national pride (Kaynak and Kara,2002) while consumers in the developing world have been reported to be status conscious and to feel pride in purchase of foreign products (Batra et al., 2000). Some emerging economies have been reported to be acquiring stronger ethnocentric sentiments as a nation e.g. China (Crocker and Tay, 2004) but results indicate this is not be the case for Pakistan. Another plausible explanation is that consumers can be expected to have a stronger ethnocentric reaction if the brand origin is specifically known rather than just knowing that the brand is foreign, global or international. In such cases where identification of the origin becomes difficult consumers may not question the moral appropriateness anymore. Result may also indicate that consumeranimosity pertaining to brand origin could be specific to some countries only for Pakistani consumers while Pakistani consumers may continue to feel favorable for brands originating elsewhere. As this research tabulated 5 different brands under one umbrella of foreign brands the animosity effect could have been diluted.

5.5. Ethnocentricity and purchase intention of local brands

Significant positive relationship was found between ethnocentricity and purchase intention for local brands. However, the beta coefficient was relatively the smallest amongst all relationships studied for this research. Results imply that highly ethnocentric consumers in

Lahore favor the purchase of local brands. Results also showed a significant relationship between frequent users of social media and with purchase intention of local brands. Similarly a significant relationship was found between respondents who had close relatives stationed abroad with purchase of local brands. Results imply that consumers with more international exposure were more sensitive to brand origin, preferably choosing the local product.

5.6. Summary

The aim of this dissertation was to study the relationship between brands origin based extrinsic cues and the effect these cues produce on consumers' brand value evaluations and eventually brand purchase behavior. Brand foreignness perceptions as well as four dimensions of brand value were studied for better understanding. The effects of brand familiarity and ethnocentricity on purchase behavior of consumers in Lahore were also explored. A summary of hypotheses and reference to respective statistical tests can be found in Table 13.

5.7. Practical Implications

Country of origin studies has been found to be a tool for managerial decision making (Brodowsky, Tan, andMeilich, 2004). Pakistan is the 7th most populous nation of the world while Lahore is considered one of the world's 30 most populous cities. The demographics alone ensure that Pakistan is an attractive market.

This research study will help brand owners make better decisions especially related to the marketing mix. It will help them understand how to position their brands to as to maximize perceptions of brand value and increase chances of purchase. This research has also related the consumer sociodemographics with the findings thus reaching the target consumer and better consumer profiling is made possible.

Country of origin is also known to act as a barrier to entry, with the help of this research study the consumers of Lahore may be better understood and these barriers may become easier to overcome for brand managers.

Local brand owners may benefit especially from the findings of perceptions regarding foreign connotations while brand remains local, thus capitalizing on better perception of quality, prestige, social signaling etc, while capitalizing on the local culture understanding.

5.8.Future Research Directions

This study was cross-sectional in nature. Since data were collected at a single time point, therefore gradual change overtime in opinions of respondents could not be captured. Future research may opt for a time sensitive longitudinal design.

A qualitative approach to gain deeper understanding of perceptions and cues regarding country of origin can be adopted in future studies.

Finally, since all respondents were located in the city of Lahore, the generaliziability of the results can be restrained because of differences in culture, ethnicity, and other factors. In a multilingual, multi cultural society such as Pakistan these differences may be significant with the residents of other cities. Future research may include cross cultural aspects.

In order to permit better generalization across the population, future research could make larger-scale investigation by selecting a sample which is more representative of the population. This would ensure robustness. Advance statistical technique like cluster analysis may be used to develop profile clusters of respondents; and path analysis may be used to study the various paths such as brand value mediating the relationship between brand origin and purchase intention.

Some interesting avenues for future research were identified through inclusion of sociodemographic variables. The role of social media is one such avenue. Better understanding of the relationship between social media usage with brand related perceptions might prove to be of interest to future studies. Similarly religiosity is another identified variable of interest that might be incorporated into future studies in relation with ethnocentrism and purchase behavior.

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7. Appendix A

Please encircle the correct choice.

1. Gender   ○Male   ○Female

2. Age _____years.

3. What is you approximate monthly Family Income Rs: _____.

4. Years of Education: _____years.

5. Which Social Class do you think you belong to:
   ○ Upper Class of Society
   ○ Not Upper Class of Society

6. What do you consider yourself to be:
   ○ Modern
   ○ Conservative

7. Do you consider yourself to be religious :
   ○ Yes
   ○ No

8. Do you consider yourself to be:
   ○ Lahori
   ○ Not Lahori

9. Do you consider yourself to be Punjabi:
   ○ Yes
   ○ No

10. You consider yourself to be financially :
    ○ Independent (Earning / can sustain your expenses)
    ○ Dependant (Not Earning)

11. Do you follow international trends:
    ○ Yes   ○ No

12. Did you ever live in another country:　　◯ Yes　　　　　◯ No

13. You were raised in :　　　　　　　　　◯ Urban areas　　◯ Rural areas/ Countryside

14. Your early schooling was in:　　　　　◯ English Medium　◯ Urdu Medium

15. You are more comfortable wearing:　　◯ Pakistani Clothes　◯ Western Clothes

16. Mostly you wear:　　　　　　　　　　◯ Casual Clothing　◯ Formal Clothing

17. Mostly you chat with your friends in:　◯ English Language　◯ Local Language

18. You prefer watching:　　　　　　　◯Pakistani TV channels ◯ Foreign TV channels

19. Which magazines/books do you prefer:　　◯ Pakistani　　　◯International

20. Your favorite Actor/Actress is :　　　　◯ Pakistani　　　◯ Foreigner

21. Did you ever visit places outside Pakistan:　◯ Yes　　　　◯ No

22. Do you have any close friends abroad:　◯Yes　　　　　◯ No

23. Do you have any close relatives abroad:　◯ Yes　　　　◯ No

24. Are you a frequent/regular user of social media?　　◯ Yes　　　◯ No

25. You prefer which type of music:　　◯ Pakistani　　　◯ Foreign

SECTION B:

Please give a score from 1 (strongly disagree) to 7 (Strongly agree) for each statement and for each brand. Please fill each box of the grid.

Statement	Minute Maid	Shezan	Tetley	Tepal	Omore	Walls	Levis	Stoneage	Puma	Service
26. This is a very well made/popular brand										
27. This brand shows a very high level of overall quality										
28.This brand has good workmanship										
29. This brand has consistent quality										
30. This is a very prestigious brand										
Statement	Minute Maid	Shezan	Tetley	Tepal	Omore	Walls	Levis	Stoneage	Puma	Service
31. This is the most innovative brand in the market.										
32. This is the leading brand in the market.										
33. This brand is growing in popularity										
34. This brand would improve the way I am perceived.										
35. This brand would make a good impression on other people.										

Statement	Minute Maid	Shezan	Tetley	Tepal	Omore	Walls	Levis	Stoneage	Puma	Service
36. This brand would help me feel trendy/up-to-date.										
37.I do think consumers in other countries buy this brand.										
38. To me, this brand represents something foreign										
39. I do not associate this brand with things that are Pakistani										
40. The appeal of this brand is a very good symbol of foreign culture.										
Statement	Minute Maid	Shezan	Tetley	Tepal	Omore	Walls	Levis	Stoneage	Puma	Service
41. This brand is very familiar to me.										
42. I'm very knowledgeable about this brand.										
43. I have seen many advertisements about this brand in Pakistani magazines and mass media such as TV.										
44. I'm very likely to buy it (if available)										
45. I would certainly buy it (assuming it was available)										

SECTION C:

For each statement please mark a number on a scale of **1 (strongly disagree)** to **7 (Strongly agree)**

Products made by foreign companies are in general:

46. Excellent in overall quality   _____

47. Excellent in design/styling   _____

48. Excellent in level of technology   _____

49. Excellent value-for-money   _____

50. Purchasing foreign-made products is not the Pakistani way   _____

51. A real Pakistani should always buy domestic products   _____

52. Pakistanis should not purchase imported goods, to better support their own economy_____

53. Pakistanis should try not to buy foreign brands whenever possible   _____

- Thank you very much!