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EXPLORING THE DYNAMIC INFLUENCE OF PERCEIVED BRAND GLOBALNESS AND LOCALNESS: A CASE STUDY ON HIGH-INVOLVEMENT GOODS

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Abstract: This study ventures into unexplored research territory, effectively bridging a considerable knowledge gap surrounding the application of perceived brand globalness and perceived brand localness as branding strategies, particularly concerning high involvement goods in the Indonesian market. Employing a quantitative descriptive research approach, this study utilizes Partial Least Squares-Structural Equation Modeling (PLS-SEM) analysis to unravel its insights. The analysis outcomes divulge that both perceived brand globalness and perceived brand localness wield substantial direct influence on marketing success, as gauged by variables encompassing brand loyalty, positive word of mouth, and willingness to pay a premium price. Remarkably, this influence is more pronounced for brands perceived on a global scale. Intriguingly, the study uncovers brand trust as a pivotal mediator in this connection, exerting a more potent influence compared to the direct relationship. This mediating role proves particularly accentuated for brands perceived as local. The discoveries of this study bear pragmatic implications for local brands, illuminating the efficacy of leveraging perceived brand globalness and perceived brand localness as potent branding strategies, alongside their corresponding influencing factors.

Keywords: Perceived Brand Globalness, Perceived Brand Localness, Brand Loyalty, Positive Word of Mouth, Willingness to Pay Premium Price, Brand Trust

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INTRODUCTION

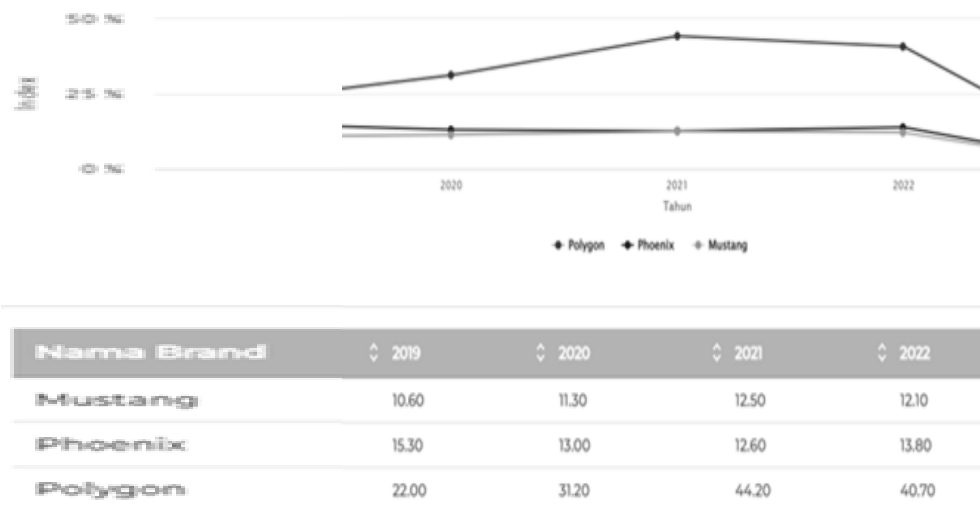
The landscape of marketing strategies employed by local brands in Indonesia has witnessed significant advancements since its emergence in 2005. Initially, these local brands introduced themselves by embracing a distinct local identity, which may be referred to academically as "brand localness." It was manifest in campaigns promoting local pride, exemplified by initiatives such as the "#LocalPride" campaign and the "Cintai produk-produk Indonesia" campaign spearheaded by Maspion. Notably, these endeavors received governmental backing through initiatives like "Bangga Buatan Indonesia" (BBI), led by the Ministry of Trade. In the contemporary context, the prevalence of such campaigns has reached a state of saturation due to widespread adoption by numerous brands.

Consequently, prominent local brands have embarked on innovation by shifting their focus towards cultivating a global identity, termed "brand globalness" in academic discourse. Entities like Tokopedia, Ajaib, Polygon, and Eiger have already embraced this strategic evolution. Importantly, this transition is executed while remaining mindful of preserving their distinct local identity.

Academically, the terms "perceived brand globalness" and "perceived brand localness" mentioned before were initially introduced in Steenkamp's study in 2003. Since then, 95 articles have been published in the past 17 years, indicating sustained interest in this theory (Liu, 2021). The high

research interest can be attributed to the fact that strategies related to perceived brand globalness and perceived brand localness are highly valuable in navigating future consumer trends, such as the rise of the nationalism, anti-globalization movements, glocal strategies, and the digitization (Liu, 2021). But still, there is no evidence of its effectiveness in Indonesia. Thus, the research to overlook it and the affecting factor in Indonesia is urgently needed.

This study specifically examines Polygon and Specialized brands within the bicycle industry, primarily focusing on Polygon. Polygon was selected as the main subject of investigation due to its representation as a local brand with simultaneous and comprehensive implementation of both perceived brand globalness and perceived brand localness strategies, particularly in high-involvement goods. However, the inconsistent performance of the declining brand performance of Polygon raises pertinent inquiries regarding the efficacy of implementing perceived brand globalness and perceived brand localness strategies. Notwithstanding the extensive body of research on this theory, there remains a notable research gap in the context of Indonesia and its application to high-involvement products (Kotler et al., 2018). Consequently, this study is designed to fill this research void and aims to mitigate the generalizability limitations of the theoretical framework (Rambocas and Narsingh, 2022).



Source: Top Brand Award (2022)

Figure 1. The Decline of Polygon's Top Brand Index in 2021-2022

The novelty of this study is to fill the research gap pertaining to the theory of perceived brand globalness and perceived brand localness regarding the type of goods and geographical considerations. Furthermore, from a practical standpoint, this research advances the understanding of brand development and its consequential significance for local brands in Indonesia. By doing so, this study will provide valuable insights that can inform the formulation of enhanced perceived brand localness and globalness strategies and their effectiveness. In alignment with these objectives, this research aims to measure the direct and indirect effects of perceived brand globalness and perceived brand localness on marketing success indicators. Specifically, this study aims to examine the relationship between perceived brand globalness and perceived brand localness and their direct influence on brand loyalty, positive word of mouth, and willingness to pay a premium price. This research will also investigate the indirect effects through the mediating variable of brand trust.

LITERATURE REVIEW

This research encompasses two independent variables: perceived brand globalness and perceived brand localness. Perceived Brand Globalness (PBG) refers to consumers' perceptions of the extent to which a brand is recognized and desired globally. Steenkamp et al. (2003) elucidate that PBG reflects the availability and appeal of a brand worldwide, as evidenced by marketing identity (branding, promotional materials, narratives), distribution, and operational strategies. Conversely, Perceived Brand Localness (PBL) captures consumers' perceptions of the brand's commitment to meeting local needs and embodying the aspirations of the local population (Ozsomer, 2003). Alternatively, PBL can be defined as the degree to which a brand is perceived as connected to the local context and embedded within its consumer culture (Rambocas and Narsingh, 2022).

Additionally, a significant mediating variable known as brand trust (BT) comes into play. Brand trust emerges from the brand's exhibited integrity, benevolence, and predictability, instilling a sense of reduced consumer apprehension and maintaining expectations and consistent experiences (Carranza et al., 2018). Notably, prior studies have consistently demonstrated the interrelation between

brand trust and crucial outcomes such as consumer commitment, purchase intentions, and the cultivation of the favorable consumer behaviors (Human-Ramirez et al., 2019; Roberts-Lombard and Petzer, 2021).

Within this research study, three dependent variables are considered: Brand Loyalty (BL), Positive Word of Mouth (PWOM), and Willingness to Pay Premium Price (WPPP). Brand Loyalty represents the consumer's enduring commitment to a specific brand, thereby inhibiting the inclination to switch allegiance, even in the face of new competitors offering comparative advantages (Brown et al., 2020). Positive Word of Mouth refers to the informal dissemination of consumer recommendations and endorsements, characterized by perceived sincerity, credibility, and trustworthiness (van Tonder and Petzer, 2018). Willingness to Pay a Premium Price denotes the literal inclination of consumers to pay a higher price. A higher score in the Willingness to Pay Premium Price variable signifies the brand's capacity to generate increased revenue (Augusto and Torres, 2018). This inclination may be influenced by several factors, including promotional activities, product quality, brand image, and organizational operations. Within the scope of this study, one salient influencing factor under scrutiny is consumers' perceptions of a brand's categorization as either global or local.

HYPOTHESIS DEVELOPMENT

This study aims to investigate the impact of the PBG and PBL variables on Consumer Behavioral Intentions (CBI), namely brand loyalty (BL), positive word of mouth (PWOM), and willingness to pay a premium price (WPPP), as highlighted by Safeer et al. (2022). Within the research context, examining these variables' influence on CBI is paramount. It is underscored by the theoretical perspectives put forth by Warshaw (1980), Westerbek and Shilbury (2003), and Safeer et al. (2022), which emphasize the significance of CBI as an indicator of the realization of choices into attitudes. Investigating CBI provides valuable insights into consumers' trust, principles, and future behaviors, contributing to a deeper understanding of consumer decision-making processes. Accordingly, the following hypotheses are formulated:

H1: Perceived brand globalness has a positive and significant impact on brand loyalty.

Elevated levels of perceived brand localness (PBL) significantly influence consumer attitudes toward the brand (Igelbrink, 2020). Implementing PBL practices, especially within developing nations, enhances consumer acceptance of brands (Halkias et al., 2016). The impact on consumer attitudes becomes more pronounced when local brands embrace PBL, triggering positive sentiments and reinforcing a sense of local identity among consumers. Accordingly, the following hypotheses are formulated:

H2: Perceived brand localness has a positive and significant impact on brand loyalty.

Moreover, those aspects representing CBI are crucial in guiding companies to develop and implement various marketing strategies (Risitano et al., 2017). Given the unique geographical context, examining these variables' influence in Indonesia is imperative. The perception of a brand as internationally relevant and resonant fosters strong emotional connections. When consumers view the brand as aligned with global trends, it triggers aspiration and contemporary identity. It motivates them to share the brand experiences enthusiastically within their social circles, magnifying positive word-of-mouth (Safeer, 2021). This interplay underscores the brand's capacity to harness global associations, fostering genuine and impactful consumer endorsement.

H3: Perceived brand globalness has a positive and significant impact on positive word of mouth.

The concept of perceived brand localness is significant in fostering positive word of mouth among consumers. Perceived brand localness, characterized by its ability to evoke a sense of cultural congruence and resonance, engenders a heightened emotional connection and affinity toward the brand. The consumers perceive the brand as deeply embedded within the cultural fabric, creating a narrative that aligns with their identity and values. This sense of cultural identification, in turn, stimulates a desire to share experiences and endorse the brand within their social networks. Individuals extend their personal narratives by participating in positive word-of-mouth communication, reinforcing their affiliation with the brand and positioning themselves as the brand advocates (Rambocas and Narsingh, 2022). Hence, the correlation between

perceived brand localness and positive word of mouth emerges as a crucial facet of consumer behavior, underscoring the brand's capacity to capitalize on cultural ties in fostering organic and influential forms of consumer advocacy.

H4: Perceived brand localness has a positive and significant impact on positive word of mouth.

High-perceived brand globalness significantly influences quality, prestige, purchase intention, and consumers' willingness to pay a premium price. Research by Davvetas et al. (2015) and Steenkamp et al. (2003) indicates that consumers generally perceive global brands to possess higher quality and prestige than local brands. Moreover, consumers are more inclined to purchase products from global brands and are willing to pay a higher price. Consequently, consumers' perception of brand globalness plays a pivotal role in their purchasing decisions, impacting brand image and long-term success in the global market. Therefore, brands aspiring to achieve international success must carefully manage their global brand image and consumer perception. Accordingly, the following hypotheses are formulated:

H5: Perceived brand globalness has a positive and significant impact on willingness to pay premium prices.

Perceived brand localness may significantly influence consumers' willingness to pay a premium. When consumers perceive a brand as deeply tied to local culture and values, it fosters loyalty and emotional connection. That, in turn, enhances the perceived uniqueness and value of the brand's offerings, reducing price sensitivity. Consequently, consumers exhibit a heightened readiness to invest in products associated with such brands, reflecting an increased willingness to pay a premium price (Safeer et al., 2022). It highlights the pivotal role of cultural resonance in shaping consumer behavior and pricing strategies within marketing. Accordingly, the following hypotheses are formulated:

H6: Perceived brand localness has a positive and significant impact on willingness to pay premium prices.

In prior research, it has been observed that a strong manifestation of Brand Globalness in lo-

cal brands can lead to higher brand trust. This association is attributed to the perceived operational excellence, superior product quality, and commendable aftermarket services linked to robust Brand Globalness. Consequently, consumers develop brand trust rationally (Huaman-Ramirez et al., 2019; Srivastava et al., 2020). Considering the unique consumer characteristics in specific market where Polygon operates, exploring the interplay between these variables becomes intriguing. Therefore, the following hypotheses are formulated:

H7: Perceived brand globalness has a positive and significant impact on brand trust.

Within the context of achieving brand trust (BT) in the local market, branding strategies to augment Brand Localness are pivotal as symbolic expressions of the brand's endorsement of consumers' local identity. It fosters emotional proximity and identity alignment, ultimately engendering a heightened sense of BT at the psychological level (Xie et al., 2015). Therefore, the following hypotheses are formulated:

H8: Perceived brand localness has a positive and significant impact on brand trust.

Building upon H7 and H8, it is recognized that brand trust (BT) can be bolstered through both perceived brand localness (PBL) and perceived brand globalness (PBG), operating on functional and psychological dimensions (Cho and Hwang, 2020). Prior research emphasizes the significant contribution of BT to business success (Ngoma and Ntale, 2019). According to Safeer et al. (2022), business success can be assessed through various indicators, including the brand loyalty, willingness to pay a premium price, and positive word of mouth. Thus, to achieve the objectives of this study, it is imperative to comprehend the mediating role of BT and its influence on the indicators, as mentioned earlier.

H9: Brand trust exerts a positive and significant mediating effect on the relationship between Perceived brand globalness and perceived brand localness, affecting Consumer Behavioral Intentions.

METHOD

This study serves as a replication of the research conducted by the Rambocas and Narsingh (2022), with the aim of addressing the research gap in the established theory caused by geographical and subject-specific variations. Methodologically, it adopts a descriptive and single cross-sectional design. The primary data collection involves brand screening and the main test. The brand screening phase is pivotal to evaluating the adequacy of Polygon and Specialized brands as subjects for investigation (Rambocas and Narsingh, 2022). The research sample is derived using non-probability sampling methods, specifically judgmental sampling and snowballing sampling techniques. The three screening questions screened the respondents: Whether they know about Polygon or Specialized, and Respondents were asked to indicate their preferred bicycle brand if given the freedom to choose between Polygon and Specialized. Subsequently, respondents were directed to answer structured questions based on their choice of either Polygon or Specialized brand. It resulted in two sets of structured questions with distinct themes.

A seven-point Likert scale is employed for the brand screening stage, while a five-point Likert scale is utilized for the main test phase. The Partial Least Squares-Structural Equation Modeling (PLS-SEM) technique is employed for data analysis, given the complexity of the research model, non-normal distribution of data, and limited measurement instruments. The analytical process is applied to the both selected research subjects, Polygon and Specialized, based on the outcomes of the brand screening phase.

Table 1. Variable Operationalization

Variable	Source	Code	Details
Perceived Brand Globalness (Steenkamp et al., 2003)	Rambocas and Narsingh (2022)	PBG2	In my opinion, the Polygon bicycle brand is a global brand.
		PBG3	I believe that consumers from other countries also buy bicycles with the Polygon brand.
Perceived Brand Localness (Steenkamp et al., 2003)	Rambocas and Narsingh (2022)	PBL1	I consider that the Polygon bicycle brand is closely associated with Indonesia.
		PBL2	For me, the Polygon bicycle brand can represent Indonesia well.
Brand Trust (Fishbein and Ajzen, 1975)	Rambocas and Narsingh (2022)	BT1	The Polygon bicycle brand always strives to meet the cycling needs of both myself and other customers.
		BT2	Polygon bicycles have a reputation for being durable and causing fewer problems.
		BT3	The Polygon bicycle brand is known for its honesty.
		BT4	The Polygon bicycle brand has a reputation as a trustworthy brand.
		BT5	The Polygon bicycle brand is reputed for caring about its customers.
		BT6	The Polygon bicycle brand has a special place in the hearts of its consumers.
		BT7	The Polygon bicycle brand is reliable and dependable.
Brand Loyalty (Fishbein and Ajzen, 1975)	Rambocas and Narsingh (2022)	BL1	The Polygon bicycle brand is the foremost bicycle brand, in my opinion.
		BL2	When buying bicycles, Polygon is my first choice.
		BL3	I have an affinity for the Polygon bicycle brand.
		BL4	In my opinion, the Polygon bicycle brand is the best bicycle brand.
		BL5	I would recommend the Polygon bicycle brand.
		BL6	I am willing to pay more for the Polygon bicycle brand.
		BL7	I will choose the Polygon bicycle brand in the future.
Positive Word of Mouth (Fishbein and Ajzen, 1975)	Rambocas and Narsingh (2022)	PWOM1	I have recommended Polygon bicycles to many people.
		PWOM2	When with friends, I discuss Polygon bicycles.
		PWOM3	I spread positive things about Polygon bicycles.
		PWOM4	I have voluntarily engaged in word-of-mouth promotion for the Polygon bicycle brand.
Willingness to Pay Premium Price (Fishbein and Ajzen, 1975)	Rambocas and Narsingh (2022)	WPPP1	I am willing to pay a higher price for a Polygon bicycle.
		WPPP2	I prefer Polygon bicycles even if other bicycle brands offer lower prices.

Sources: Processed Data (2023)

RESULTS

Respondent Characteristics

The final sample comprises 38 respondents for the brand screening phase and 1,559 respondents for the main-test phase, consisting of 1,157 respondents for Polygon and 409 for Specialized. The thirty-three incomplete responses were excluded from the analysis. The respondents consisted of 200 individuals from Generation X, 1,373 from Generation Y, and 24 from Generation Z. They were drawn from diverse geographical regions across Indonesia, with a predominant representation from Jawa Barat, Jawa Timur, Jawa Tengah, and DKI Jakarta.

Analysis Result

The preliminary phase before the main test involved administering a pre-test to 30 participants. The collected responses were then analyzed using IBM SPSS Statistics 25. The analysis revealed that two questionnaire items, PBG3 and PBL1, were excluded from further analysis to ensure the validity and reliability of the questionnaire.

Subsequently, the descriptive analysis reveals that Polygon demonstrates higher scores in nearly all variables (perceived brand localness, brand trust, brand loyalty, and positive word of mouth).

At the same time, Specialized outperforms in the perceived brand globalness variable. Subsequently, the Convergent Validity analysis confirms that the measurement items exhibit values exceeding the threshold of 0.70 and achieve statistical significance with a p-value below 0.05. It substantiates the appropriateness of the measurement items for capturing the intended constructs. Additionally, the analysis provides practical insights, indicating that prioritizing enhancing the strongest measurement items is advisable due to their substantial impact on shaping the variables.

Subsequent to the initial analyses, a Discriminant Validity assessment was conducted, revealing that the square root of Average Variance Extracted (AVE) values exceeded the threshold of 0.80. It indicates that the underlying constructs can adequately explain a substantial proportion of the variance in the variables under investigation. Consequently, the measurement instrument discriminates between the intended concept and related constructs. Moreover, Composite Reliability analysis demonstrated that all variables exhibited composite reliability values of ≥ 0.7 . It confirms the measurement items' high internal consistency and reliability, ensuring consistent and dependable measurement outcomes.

Table 2. The Strongest Measurement Items to be Prioritized

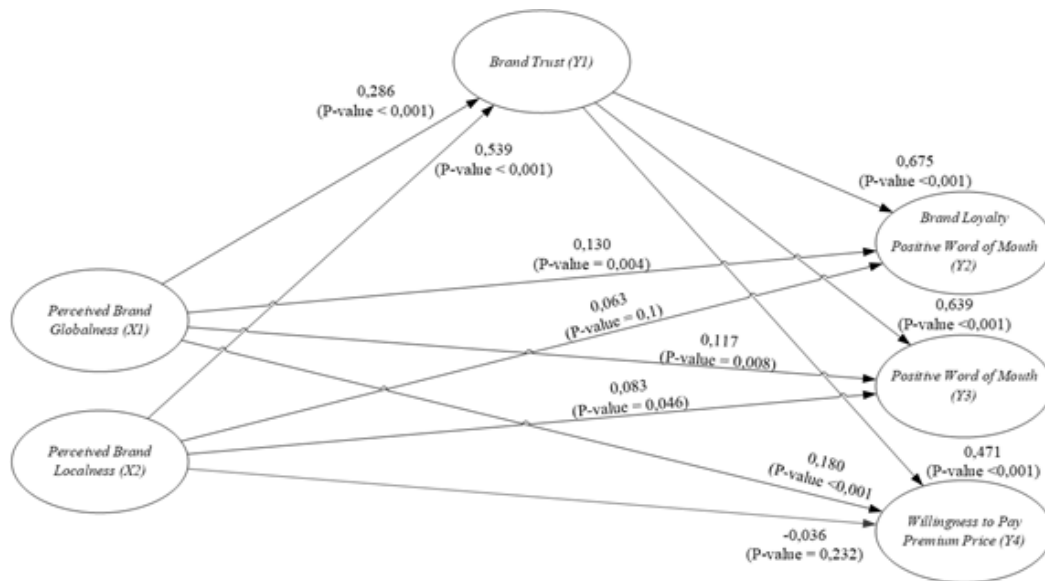
Variable	Measurement Items	Details
Perceived Brand Globalness	PBG1	The perceived global brand image of Polygon
	PBG2	The perception of Polygon's consumption and popularity in other countries
Perceived Brand Localness	PBL2	The association between Polygon and Indonesia
	PBL3	The representation of Polygon as a symbol of Indonesia
Brand Trust	BT3	The reputation of the brand
Brand Loyalty	BL7	The level of innovation attributed to the brand
Positive Word of Mouth	PWOM3 (Polygon)	The positive experiences reported by consumers
	PWOM3 (Specialized)	The brand's efficacy in stimulating positive word-of-mouth behavior among consumers (e.g., through incentives)
Willingness to Pay Premium Price	WPPP1	The willingness of consumers to pay a premium price for the brand
	WPPP2	The willingness of consumers to pay a premium price due to their loyalty to the brand

Sources: Processed Data (2023)

Lastly, comprehensive Goodness of Fit analysis was conducted, incorporating a comprehensive set of ten indicators. The study yielded positive results, indicating a satisfactory structural model fit and fulfilling the criteria for various model fit and quality indices. Hence, the selected structural model aligns well with the observed data, affirming its appropriateness for subsequent hypothesis testing.

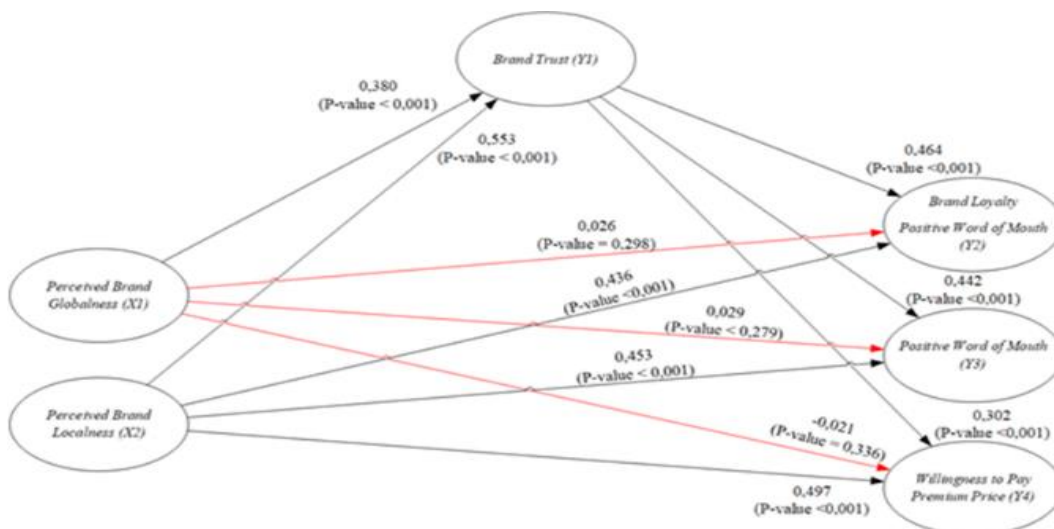
Upon fulfilling the prerequisites mentioned above, the hypothesis testing was carried out using

Partial Least Squares-Structural Equation Modeling (PLS-SEM). The results of the hypothesis testing can be depicted in Figure 2 and Figure 3. The diagrams illustrate the influence scores of the independent variables on each dependent variable. The black lines indicate a positive and significant relationship, while the gray lines represent a negative/positive and/or a non-significant relationship. The summary explanation of the diagram, along with the comparisons, can be observed in the Table 3.



Source: Processed data (2023)

Figure 2. Path Diagram Polygon



Source: Processed data (2023)

Figure 3. Path Diagram Specialized

Table 3. Summary of Hypothesis Testing

The Relationship between Variables	Polygon	Rambocas and Narsingh, 2022	Specialized
H1: Perceived brand globalness has a positive and significant impact on brand loyalty.	Accepted	Accepted	<i>Rejected</i>
H2: Perceived brand localness has a positive and significant impact on brand loyalty.	Accepted	Accepted	Accepted
H3: Perceived brand globalness has a positive and significant impact on positive word of mouth.	Accepted	<i>Rejected</i>	<i>Rejected</i>
H4: Perceived brand localness has a positive and significant impact on positive word of mouth.	Accepted	Accepted	Accepted
H5: Perceived brand globalness has a positive and significant impact on willingness to pay premium prices.	Accepted	<i>Rejected</i>	<i>Rejected</i>
H6: Perceived brand localness has a positive and significant impact on willingness to pay premium prices.	<i>Rejected</i>	Accepted	Accepted
H7: Perceived brand globalness has a positive and significant impact on brand trust.	Accepted	Accepted	Accepted
H8: Perceived brand localness has a positive and significant impact on brand trust.	Accepted	Accepted	Accepted
H9: Brand trust exerts a positive and significant mediating effect on the relationship between perceived brand globalness and perceived brand localness, affecting Consumer Behavioral Intentions	Accepted	Accepted	Accepted

Source: Processed data (2023)

DISCUSSION

Perceived Brand Globalness Has a Positive and Significant Influence on Brand Loyalty

The influence of the perceived brand globalness of Polygon (a local brand) on brand loyalty can be elucidated through the lens of Relationship Marketing theory (Rambocas and Narsingh, 2022). Indonesian consumers perceive the global market success of Polygon as a collective achievement at the national level, in addition to recognizing the brand's accomplishments. This phenomenon, known as sharing value and identities, highlights the social significance of Polygon's global recognition. In contrast, foreign brands such as Specialized naturally possess high levels of global value. Brands and products are extensions of self-identity and reference points for consumers' desired identities (Belk, 1988; Richins, 1994). Indonesian consumers do not resonate with the globalness of Specialized, leading to the perceived brand globalness exerting a less significant influence on brand loyalty.

It emphasizes the importance of aligning brand values and identities with the local consumer mindset to foster strong brand loyalty.

Perceived Brand Localness Has a Positive and Significant Impact on Brand Loyalty

The phenomenon of Perceived Brand Localness in Polygon influencing Brand Loyalty can be explained through the framework of Consumer-Brand Relationships, which posits that the consumer-brand relationship goes beyond mere ownership associations and resembles more intimate connections (Batra et al., 2012). However, the significance of Perceived Brand Globalness in Polygon is smaller than Specialized, indicating the need for additional factors to stimulate brand loyalty. Factors such as tangible attributes, including product quality, overall customer satisfaction, brand differentiation, and brand reputation, are crucial in shaping brand loyalty.

On the other hand, Perceived Brand Global-

ness in Specialized influencing Brand Loyalty can be attributed to the Brand Localization Theory. This theory suggests that brands that effectively adapt their marketing strategies and brand identities to resonate with the local market can generate higher consumer loyalty and the preference levels. Through its distributors, Specialized often conducts promotions during national holidays and utilizes local Key Opinion Leaders (KOLs) to enhance its perceived brand globalness. Consequently, these strategies create a resonance and brand connection with local consumers, fostering brand loyalty.

Perceived Brand Globalness Has a Positive and Significant Influence on Positive Word Of Mouth

The results of this study provide empirical evidence that supports the influence of the perceived brand globalness of the Polygon brand on positive word of mouth, which is consistent with the findings of Rambocas and Narsingh (2022). The theoretical framework proposed by Rambocas and Narsingh suggests that positive responses to a brand can extend beyond culturally grounded products, such as bicycles. It implies that favorable brand responses have the potential to impact marketing indicators, including positive word of mouth.

Contrarily, the perceived brand globalness of the specialized brand does not exhibit a significant influence on positive word of mouth among Indonesian consumers due to a lack of congruence in Identity Signaling, as elucidated by The Belongness Pathway theory (Steenkamp et al., 2003; Bhattacharya and Sen, 2003). Brands serve as a means for consumers to express their personality and identity. However, in the Indonesian context, being associated with the global consumer identity is not a desired identity among Indonesian consumers. The incongruity between the perceived globalness of the specialized brand and the desired identity of Indonesian consumers results in a weakened impact on fostering positive word of mouth.

Perceived Brand Localness Has a Positive and Significant Influence on Positive Word Of Mouth

The phenomenon of Perceived Brand Localness in Polygon influencing Positive Word of Mouth can be elucidated through the theoretical lens presented by Safeer (2021). Their research

posits that consumers are more inclined to embrace Perceived Brand Localness due to its inherent authenticity and heightened credibility. The credibility aspect, in turn, serves as a pivotal driver of Positive Word of Mouth, as individuals engaging in word-of-mouth promotion tend to share valuable and credible information to bolster their perceived image and reputation.

Likewise, the influence of Perceived Brand Localness in Specialized on Positive Word of Mouth can be explicated through several pertinent factors. Notably, the element of surprise and product quality play significant roles. When a foreign brand such as Specialized delivers exceptional customer experiences that surpass expectations, particularly by exhibiting cultural sensitivity and relevance to Indonesian consumers, individuals experience a sense of surprise and admiration. These positive experiences foster high levels of customer satisfaction and, consequently, increase the likelihood of customers sharing their experiences and recommendations with others. Moreover, the presence of high-quality products and the active involvement of the community in Specialized's marketing efforts also contribute to cultivating positive word of mouth.

Perceived Brand Globalness Has a Positive and Significant Influence on Willingness to Pay Premium Price

The phenomenon of perceived brand globalness in Polygon (as a local brand) influencing consumer willingness to pay a premium price aligns with previous research conducted by Davvetas et al. (2015) and Steenkamp et al. (2003). These studies suggest that perceived brand globalness positively impacts willingness to pay while enhancing consumers' perceptions of quality, prestige, and purchase intention.

In contrast, the country-of-origin Effect Theory can explain the limited impact of perceived brand globalness in the Specialized brand (as a foreign brand) on willingness to pay a premium price. This theory posits that consumers' attitudes and perceptions towards a product are influenced by the country of origin or the country in which the product is produced. Specialized is a strong foreign brand originating from outside Indonesia. It does not align with the formation of nationalistic stereotypes, particularly in terms of national pride

and the cultural relevance. Consequently, this misalignment may result in a diminished effect, considering Indonesia's relatively high level of consumer ethnocentrism (Cindy and Balqiah, 2017).

Perceived Brand Localness Does Not Have a Positive and Significant Influence on Willingness to Pay Premium Price

The lack of significant influence of Perceived Brand Localness in Polygon on Willingness to Pay Premium Prices can be explained by reevaluating the conceptualization of perceived brand localness (Liu et al., 2021). Despite a local brand being perceived as highly reflective and representative of local culture, heritage, or values, this perception does not automatically translate into a consumer's willingness to pay a higher price. Tangible factors such as price fairness based on product features and differentiation strongly influence consumer decisions regarding premium pricing.

On the contrary, the phenomenon of Perceived Brand Localness in Specialized that influences Willingness to Pay Premium Price can be explained by theoretical frameworks proposed by Fernandez-Ferrín et al. (2015) and Rambocas and Mahabir (2021). In developing countries, customers are often concerned about the unfavorable economic consequences of foreign brands and tend to prefer domestic brands. For instance, potential additional costs related to after-sales services, such as repairs and customer support, may deter customers. By leveraging perceived brand localness, Specialized can address these concerns and assure customers of the brand's proximity, thereby highlighting its advantages and differentiating itself from competitors.

Perceived Brand Globalness Has a Positive and Significant Influence on Brand Trust

The phenomenon of Perceived Brand Globalness in Polygon influencing Brand Trust can be elucidated by the research findings of Sichtmann et al. (2019). According to their study, consumers associate specific positive attributes with global brands, such as quality, innovation, reputation, and reliability. When consumers perceive local brand, like Polygon, to exhibit comparable characteristics or qualities to global brands, it can positively impact their trust in the brand.

Similarly, Perceived Brand Globalness in a

specialized influencing Brand Trust can be expounded upon based on the research conducted by Srivastava et al. (2020) and Safeer (2021). These studies suggest that consumers often perceive foreign brands, considered global brands, to possess greater innovation and responsibility. This perception arises from tangible factors such as worldwide distribution and international marketing campaigns, which receive feedback from a global audience. Furthermore, the findings of Tsai et al. (2021) reinforce this notion by indicating that a high degree of Perceived Brand Globalness significantly impacts consumer perceptions of brand quality and prestige.

Perceived Brand Localness Has a Positive and Significant Influence on Brand Trust

The association between the Perceived Brand Localness of Polygon and Specialized and its impact on Brand Trust can be examined through the Identity-Expressiveness concept proposed by Xie et al. (2015). Identity expressiveness plays a pivotal role as a source of brand value and influence, serving as a significant predictor of trust, loyalty, and commitment (Cho and Hwang, 2020). Moreover, the linkage between brands and identity expressiveness is widely acknowledged in consumer psychology, providing insights into why consumers utilize brands to augment their social status and fulfill their social aspirations (Khamitov et al., 2019).

Brand Trust Exerts a Positive and Significant Mediating Effect on the Relationship between Perceived Brand Globalness and Perceived Brand Localness, Affecting Consumer Behavioral Intentions

The phenomenon of the Brand Trust in Polygon, which influences Brand Loyalty, can be explained through several aspects. Firstly, proximity and familiarity play a crucial role. Local brands are often more familiar to consumers as they operate within the same community or country, creating a sense of trust. The closer proximity also allows for greater observation and scrutiny, encouraging local brands to uphold high ethical standards, quality control, and customer satisfaction. On the other hand, Brand Trust in Specialized, which influences Brand Loyalty, can be explained by a combination of perceived superiority and factors

such as consistency and reliability, particularly in product quality. This combination fosters trust in the brand and ultimately enhances consumer loyalty.

The phenomenon of the Brand Trust in Polygon, which influences Positive Word of Mouth, can be explained by examining the aspect of community engagement that stimulates word-of-mouth and recommendations. Local brands can directly engage with local communities, developing significant relationships and demonstrating their dedication to local issues and challenges. By actively participating, local brands can build trust and consumer loyalty among those who appreciate their involvement and commitment to the community. Polygon has exemplified it through its sponsorship of cycling events and support for the success of Indonesian cyclists in world-class competitions. These efforts are further supported by the perception of Polygon's products as highly regarded by consumers. The combination of the community engagement and quality products generates positive word-of-mouth and recommendations.

Similarly, the phenomenon of Brand Trust in Specialized, which impacts Positive Word of Mouth, can be attributed to the consistency between consumer expectations and experiences with the brand. When consumers have a strong trust in a brand, they feel secure and confident that the products or services provided will meet or exceed their expectations. It creates a positive experience that motivates consumers to share their experiences with others through word of mouth, subsequently enhancing the brand's image and attracting the interest of potential new consumers.

The significance of Brand Trust in Polygon, which influences the Willingness to Pay Premium Prices, can be attributed to the support of Indonesian consumers for the local economy. Additionally, Brand Story and Authenticity play a role, considering that Polygon has a long history in the business since 1989. Local brands often have compelling narratives emphasizing their roots, traditions, or community involvement. Consumers who value authenticity and genuine connections may be willing to pay more for local brands that embody these values, even if foreign competitors offer better product quality.

The phenomenon of Brand Trust in Specialized, which impacts the Willingness to Pay Prem-

ium Price, can be explained through several mechanisms. One mechanism at play is the perception of value. As a global brand, Specialized already has a high perceived value. Consequently, consumers with high levels of Brand Trust are more likely to view the brand as offering greater added value. They believe the brand can deliver the satisfaction that exceeds their price and protects them from the risk of disappointment (risk reduction). It can increase the likelihood of consumers being willing to pay a premium.

IMPLICATIONS

The findings of this research make a valuable academic contribution to the existing literature on perceived brand globalness and perceived brand localness. This study sheds light on the complex interrelationships between these perceived brand characteristics, brand trust, and consumer responses, specifically in high-involvement goods. The results offer practical implications for marketing practitioners, particularly for local brands in Indonesia and even foreign brands operating in the region. These insights can guide strategic decision-making and prioritize key focus areas to achieve desired marketing metrics and enhance consumer responses.

RECOMMENDATIONS

Future research is encouraged to employ a longer time frame to obtain a more adequate and balanced sample to address the issue of uneven respondent numbers. Additionally, it is recommended to include additional measurement items for each variable to ensure a comprehensive and accurate reflection of the constructs under investigation. Expanding the measurement items can better operationalize and measure the variables. Furthermore, to avoid the generalization of theories, it is essential to conduct research in different contexts and settings, focusing on alternative marketing success indicators to enhance the scope of marketing evaluations. It will provide a broader understanding of marketing efforts and facilitate more robust conclusions.

The study faces several important considerations that should be addressed. Firstly, there is an imbalance in the number of respondents between the local brand (Polygon) and the foreign brand (Specialized). This disparity may affect the gener-

alizability of the findings and the ability to draw accurate conclusions regarding the comparison between the two brands. Secondly, certain measurement items had to be eliminated due to reliability and validity issues. As a result, only two indicators were used to measure each variable. While this practical decision was made, it is worth noting that having only two indicators may limit the representativeness of the variables despite being deemed adequate in some literature. Finally, it is important to acknowledge that this research focuses solely on a specific type of research object: high-involvement goods in the Indonesian market. This limitation narrows the scope of the study's findings and restricts its applicability to other contexts.

CONCLUSIONS

This research draws several important conclusions from its findings. Perceived Brand Globalness has a positive and significant impact on Brand Loyalty, Positive Word of Mouth, and Willingness to Pay Premium Price. Additionally, Perceived Brand Localness significantly affects Brand Loyalty and Positive Word of Mouth, though it doesn't impact Willingness to Pay a Premium Price. Brand Trust is a crucial mediator, partially mediating the relationship between Perceived Brand Globalness and its effects on Brand Loyalty, Positive Word of Mouth, and Willingness to Pay Premium Price. Similarly, Brand Trust partially mediates the connection between Perceived Brand Localness and its impacts on Brand Loyalty and Positive Word of Mouth. Notably, Brand Trust fully mediates the relationship between Perceived Brand Localness and its effect on Willingness to Pay Premium Price. Moreover, Perceived Brand Globalness and Brand Localness have positive and significant influences on Brand Trust.

There are divergent findings between this study and the seminal work by Rambocas and Narsingh (2022) regarding the impact of Perceived Brand Localness on Willingness to Pay Premium Price. In this context, it is evident that while Perceived Brand Localness can effectively reflect and embody local culture, heritage, and values, it does not inherently engender a propensity among consumers to pay a higher price. The psychographic characteristics of Indonesian consumers, characterized by a heightened sensitivity to price and a strong emphasis on obtaining value for their expen-

diture, overshadow other intangible attributes such as localness and globalness. Consequently, the influence of Perceived Brand Localness on Willingness to Pay Premium Price becomes subdued, illustrating the complex interplay between cultural affinity and economic considerations in shaping consumer behavior.

Excluding these considerations, the conceptual framework proposed by Rambocas and Narsingh (2022) comprising perceived brand localness, perceived brand globalness, and Consumer Behavioral Intentions (CBI) holds potential for application in the marketing context of goods within Indonesia, particularly those categorized as high-involvement goods. Nevertheless, it is crucial to acknowledge certain nuances, including the differential impact of specific variables, when applied to local brands instead of foreign ones. Consequently, decision-makers are advised to carefully assess the timing and strategic implementation of perceived brand localness and perceived brand globalness initiatives, aiming to fortify the facets of Consumer Behavioral Intentions.

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