

In Beijing, does a desire for status mean Chevrolets over Senovas?

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Everyone in China knows global automobile brands such as Ford and Chevrolet. But do those brands really sell better than local ones such as Senova or Eado? The answer is yes, and the reason lies in a complicated mix of brand recognition and local culture, according to a new study in the *Journal of International Marketing*.

"In countries such as China with strong class divisions, internationally recognized brands can be a way of conveying wealth, prestige, and status," write authors M. Berk Talay (University of Massachusetts), Janell D. Townsend (Oakland University), and Sengun Yenyurt (Rutgers University). "The appeal of [global brands](#) is often bound up with local cultural values."

The authors examined sales of 165 automobile brands in 65 countries, representing over 90% of the global auto industry, making it geographically the largest study of its kind, to the best of the authors' knowledge. Countries were rated according to cultural characteristics such as "power distance" (how authoritarian a culture is), individualism, and masculinity.

Market shares of global brands in the current study were 217% higher than single-country brands, while multiregional brands and regional brands had approximately 121% and 94% higher market shares than their local, single-country counterparts. The findings support previous research showing that, overall, global brands have better sales than their non-global counterparts. However, the study further showed that there is

more to the globalization spectrum than simply "local" versus "global," and that "regional" and "multiregional" levels of globalization are important stages in their own right. Finally, national culture was shown to be an important factor that significantly affected a [brand's](#) performance. Global brands performed well in countries with highly individualistic cultures, for example, but also in less-individualistic countries that had a strong "power distance" rating, where people used the global brand as a status symbol.

"By redefining globalization as more than simply 'local versus global,' and by better understanding the culture in host [countries](#), managers can adjust their branding strategies and improve sales," the authors conclude.

More information: M. Berk Talay, Janell D. Townsend, and Sengun Yenyurt. "Global Brand Architecture Position and Market-Based Performance: The Moderating Role of Culture." Forthcoming in the *Journal of International Marketing*.

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