

**The Effect of Consumer Perceptions on Brand Trust  
in Emerging Market Multinationals**

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## **Abstract**

Emerging market multinationals are rapidly expanding into the global marketplace. By conducting a survey of 171 international students about how they view a smartphone brand from China, this study explores the joint effect of perceived brand globalness and perceived brand uniqueness on brand trust in global brands from emerging markets as well as the moderator role of perceived country image. The results indicate that both perceived brand globalness and perceived brand uniqueness are directly and positively related to brand trust while the positive connection is more salient in terms of perceived brand uniqueness. Perceived country image is an important moderator in enhancing these two positive associations. Furthermore, the mediation of perceived value helps to build positive associations in the two pathways to brand trust. The current research provides managerial implications for global marketers in better positioning global brands from the emerging markets.

## **Key words**

Perceived brand globalness, perceived brand uniqueness, perceived value, perceived country image, brand trust, emerging markets

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# 1. Introduction

As emerging markets have been experiencing a rapid growth and a globalized process in recent years, emerging market multinationals (EMMs) are currently participating in international business to expand their overseas markets (Ramamurti, 2012). It is announced that Asia has become the largest investor region in the world (UNCTAD, 2016). China, as the largest emerging market, owns numerous multinational enterprises which have been active in a phase of international expansion into the global market. Nowadays, the global smartphone market witnesses a notable rise in consumer demand, which motivates smartphone vendors to exploit the markets both at home and abroad. Based on data from the International Data Corporation in 2015 (IDC, 2016), Samsung and Apple dominated the smartphone world market with the market shares of 21.4% and 13.9% respectively, followed by Huawei of 8.7%.

Buying decision of high-tech products is generally considered to be unpredictable and complex (Sahadev & Jayachandran, 2004). As indicated in Ambler (1997), Trust is the leading indicator for brand equity assessment, which contributes to the evaluation of marketing performance. In the competitive global market, EMMs such as Huawei are struggling with the issue of how to market their products worldwide and build brand trust with consumers, to seize more market share through competition. According to the findings in Hiscock (2001), trust has been viewed as the main ingredient of a bond between the consumer and the brand that helps to achieve the ultimate goal of marketing. Due to this connection, it is of great importance for EMMs to investigate the potential factors related to consumer perception that are more likely to influence brand trust in the current context of global marketing.

So far, the significant role played by consumer perception in global marketing has been explored from different perspectives. For instance, Alden et al. (2006) underlined that perceived brand globalness is an imperative factor for global brand managers. With regard to buying intentions, both perceived brand uniqueness and perceived value have positive relations (Chen & Sun, 2014; Aaker, 1996). Simultaneously, the influence of perceived country image on brand perception, preference and attitudes towards global brands have been evidenced (Roth & Romeo, 1992; Van Ittersum et al., 2003).

Nevertheless, the effect of brand trust is not fully understood in the existing theory of global brands because researchers rarely took brand trust into consideration for EMMs, linking to the above-mentioned consumer perceptions. Prior research only addressed one specific effect of consumer perception whereas few have investigated a joint effect of consumer perceptions towards global brands from different dimensions. Thus, it is not enough for EMMs to know whether there are differences in brand trust due to different consumer perceptions. To this end, there are some gaps for this study to fill and to wit: the influence of a joint effect of potential consumer perceptions on brand trust in EMMs.

Generally speaking, smartphones have brought out profound changes for people's life in this contemporary world. From the consumer perspective, they enjoy the benefits of smartphones in terms of convenience, entertainment and high technology. For smartphone vendors, they seek for every opportunity to improve profit ability and enhance market competitive capability. Hence, the purpose of this paper is to help smartphone vendors from EMMs to find which dimensions of consumer perceptions have an interaction with brand trust.

However, the current study is not aimed to identify all the specific factors of consumer perceptions. In relation to the current situation of EMMs, this study explores the effect of globalness attached to a global brand. Considering consumer requirements for high-tech products, uniqueness seems to be a relevant and common factor. Thus, this study focuses on two potential consumer perceptions, namely perceived brand globalness and perceived brand uniqueness, to test their roles of antecedents to brand trust. Perceived value is a key construct to understand and assess consumer perception (Sweeney & Soutar, 2001), which is proposed in linking the relationship between the potential factors of consumer perceptions and brand trust as the mediator. In particular, perceived country image acts as the moderator role to examine if it strengthens the effect of two kinds of consumer perceptions on brand trust separately.

To summarize, this research is achieved by examining a joint effect of consumer perceptions on brand trust in EMMs based on a smartphone brand from China. Accordingly, the research question is formulated as follows:

**How does the joint effect of perceived brand globalness and perceived brand uniqueness influence brand trust in smartphone brands from emerging market multinationals, with the moderator role of perceived country image?**

The current research contributes to the literature in three ways. First, it develops a conceptual model that incorporates consumer perceptions (perceived brand globalness and perceived brand uniqueness) with brand trust to explain consumers' attitude towards global brands from emerging markets. The research helps to confirm that both perceived brand globalness (.723) and perceived brand uniqueness (.821) are important variables related to brand trust. Second, by confirming the mediator role of perceived value in two pathways separately, the results obtained are consistent with theories explained in existing research. For example, Steenkamp et al. (2003) showed that perceived brand globalness gives added value to consumers and Dimoft et al. (2008) argued that affective associations (e.g. emotional value or social value) are essential for consumer evaluation towards global brands. Finally, it tested the moderator role of perceived country image in enhancing the positive association between consumer perceptions and brand trust. The findings confirmed the conclusion of Souiden et al. (2011) that favourable country image is a key factor of high-tech products buying intention since it is likely to reduce consumer uncertainty.

## 2. Literature Review

### 2.1 Brand Trust

Bhattacharya et al. (1998) stated trust as “an expectancy of positive (or nonnegative) outcomes that one can receive based on the expected action of another party in an interaction characterized by uncertainty”. Brand trust is defined as “a consumer’s beliefs that he or she can rely on a brand” (Agustin & Singh, 2005) and “the confidence a consumer develops in the brand’s reliability and integrity” (Chatterjee & Chaudhuri, 2005). Moreover, Lassar et al. (1995) reflected it as “the confidence a consumer places in the firm and the firm’s communications, and as to whether the firm’s actions would be in the consumers’ interests”. Based on the definitions, trust is a prominent factor that links the relationship between brands and consumers, but it seems hard to establish and easy to change.

The importance of brand trust has been extensively discussed in previous study. Erdem et al. (2006) argued that if trustworthiness is not delivered as promised, brand equity will be eroded. Trust in a brand is not only highly correlated with the brand itself but closely interplays with consumers. Based on the conclusion in Deutsch (1958), the fulfilment of trust is closely related to the consequence of trusting individuals. Indeed, if a company is able to establish trust with the consumer, it contributes to the consumer’s confidence in the performance of the brand. Equally important, several studies have indicated that brand trust contributes to brand loyalty and purchase intention (Lau & Lee, 1999; Chaudhuri & Holbrook, 2001; Agustin & Singh, 2005). For example, brand characteristic is a contributor factor to brand trust that marketers are supposed to take into account seriously for the development of trust establishment (Lau & Lee, 1999). They also proved the positive relation between brand trust and brand loyalty. Chaudhuri & Holbrook (2001) indicated that trusted brands are purchased more often with high brand loyalty, which in turn positively affects the increase of market share. Agustin & Singh (2005) described that trust is the “motivator” in consumer loyalty intentions.

Since brand trust is an intangible variable, many researchers developed different measurements to assess it. Delgado (2004) presented a brand trust scale (BTS) with two dimensions (e.g. brand reliability and brand intentions) to measure consumer-brand relationship, which were derived from cognitive and emotional perspectives. This development of brand trust measurements reflects that consumer trust for a brand based on their subjective judgments to a large extent. Erdem & Swait (1998) claimed that when consumers have uncertainty about product attributes, companies attempt to use brand as a signal to present their product credibility. To measure product credibility, they used seven scales for assessment. This assessment used in Erdem & Swait (1998) was adapted and modified by Akdeniz & Kara (2014) in testing brand trust with two brands (e.g. China and the Netherlands) among Turkish consumers.

Based on the abovementioned research, it is concluded that brand trust is of great importance for a company, thereby exerts an influence on consumers' choice making. Hence, brand trust was proposed as the dependable variable in this research to explore how it interplays with different consumer perceptions.

## 2.2 Consumer Perceptions

In psychology, perception refers to the process of interpreting sensory stimuli (Schacter et al., 2001). In the consumer market, perception is an essential factor for a brand (Solomon et al., 2013). According to Bettman et al. (1998), consumer variables are able to influence the outcomes of consumer choice. By now, a lot of variables in relation to consumer perceptions of global brands have been broadly investigated. For example, Van Ittersum et al. (2007) linked perceived product quality of protected regional products to product attitude to examine consumer appreciation. By analysing a fast-moving consumer goods brand from China, it has been found that an attractive price of a foreign brand has larger impact on brand loyalty compared to local brands (Heinberg et al., 2015). However, it was not possible to measure all factors while the current research aimed to find the most common tested factors related to the situation of EMMs. There are several reasons of leaving some factors out the study. For example, there lack enough support of the actual importance of the factors in the context of high-tech products from EMMs (e.g. appearance and package). Or some factors are strongly related to product attributes, which makes it hard to change in a short term from the perspective of EMMs (e.g. quality and price). Hence, considering the relevant characteristic of global brands and the common requirement of consumers towards high-tech products, two factors have been chosen for this study (perceived brand globalness and perceived brand uniqueness). Their importance and interrelationships in the existing literature is elaborated in the following sections.

### 2.2.1 Perceived Brand Globalness

An ongoing globalization trend has promoted the surge of global brands in the market. Steenkamp et al. (2003) summarized that perceived brand globalness is "consumers believe that the brand is marketed in multiple countries and is generally recognized as global in these countries". The concept of globalness is not objective, which implies that a brand is able to benefit from this perception when consumers view it as global (Xie et al., 2015). As such, Dimofte et al. (2010) declared that perceived brand globalness varies among individual consumers and is determined by their brand knowledge and brand experience to a large extent.

A great number of researchers have confirmed the benefits of perceived brand globalness for global brand purchase likelihood (Steenkamp et al., 2003; Özsomer & Altaras, 2008; Özsomer, 2012). For instance, through conducting an empirical study between American and Korean consumers, Steenkamp et al. (2003) evidenced that perceived brand globalness has a positive relation with perceived brand quality and prestige as consumers



tend to associate high quality with the success of a brand sold worldwide. Yet, Dimofte et al. (2008) questioned the direct effect of brand globalness on consumer choice since the connection between brand globalness and higher quality is not so robust as the existing literature has proposed and revealed that global brands are driven more by affective associations of consumers. Moreover, it has been found that the effect of global brand globalness plays a more significant role in less developed countries because consumers are more likely to tie their desires with being cosmopolitans or having modern lifestyles (Friedman, 1990; Batra et al., 2014).

Nonetheless, the negative effect of perceived brand globalness has also been studied in the previous research. Özsomer (2012) reasoned that globalness attached to local brands is not approved by consumers from developed countries. For buyers from mature countries, they do not expect globalness perception when buying their local brands because it is likely to lose authenticity of local brand elements. The same effect has been confirmed in Schuiling & Kapferer (2004). Through collecting data in four largest European countries, they mentioned that global brands are perceived lower by consumers compared with local brands in different aspects such as brand awareness, perceived quality, brand trust and value.

To measure perceived brand globalness, a three-item measurement developed in Steenkamp et al. (2003) has been mainly adapted by several scholars (Özsomer, 2012; Sichtmann & Diamantopoulos, 2013). The three item measurements include general recognition of a global brand, global consumers' buying intention and brand availability worldwide. However, few research has scrutinized the effect of perceived brand globalness in the setting of EMMs. Based on the aforementioned, it can be concluded that perceived brand globalness is an influential element for global brands. Therefore, the concept of perceived brand globalness was proposed as one of the antecedents of the potential consumer perceptions.

## 2.2.2 Perceived Brand Uniqueness

Netemeyer et al. (2004) defined uniqueness is "the degree to which customers feel the brand is different from competing brands". If a brand lacks uniqueness as consumers expect, it is easily at a disadvantage against rivals in the market. In the current environment of globalization, marketers challenge to distinguish themselves from their competitors through the use of brand uniqueness. Another description of perceived brand uniqueness is "how a consumer distinguishes one brand from the others based on their feelings" (Ye et al., 2012). From these definitions, uniqueness is regarded as a critical brand cue to that allow consumers make decisions from other brands.

The effect of perceived brand uniqueness has been studied in the prior research. For instance, uniqueness is correlated to perceived quality and perceived value for the cost, which in turn increases consumers' willingness-to-pay (Netemeyer et al., 2004). Consumers are more likely to pay a premium price for a product with uniqueness. As such,

it has been stressed that consumers are less likely to focus on a brand with common or similar features (Dhar & Sherman, 1996), where unique products are able to draw consumers' quick attention. Indeed, it seems like consumers would like to be special by buying unique products or limited edition of a particular brand to make themselves feel special and stand out. Consumers with high need for uniqueness are more sensitive to similar products and have a preference for unique or scarce products (Snyder, 1992). Lynn & Harris (1997) developed a new scale to measure consumer need for uniqueness. They concluded that consumers generally have a desire for unique consumer goods. Further, the causes of the need for uniqueness were specified in this literature in the following aspects: need for uniqueness, status aspiration and materialism.

In the light of the above, perceived brand uniqueness is a complex concept which has a close a relation with consumer requirements. Considering the fierce competition in the high-tech products market, it is of great importance to create uniqueness effectively, therefore to stand out in the market. Thus, perceived brand uniqueness was employed as the other antecedents for the potential consumer perceptions, which aims to assess the joint effect of perceived brand globalness in brand trust.

## 2.3 Mediator Role of Perceived Value

Brand value reflects the success of a brand in creating strong value proposition (Aaker, 1996). In view of consumer perception, perceived value is a vital factor in understanding consumer behaviour because buying choices are made from different value perceptions (Petrick, 2002). By now, this concept has been defined and measured by many researchers in different ways. For instance, Yoo & Donthu (2001) defined perceived value as "consumer response to brands when they have the same product attributes and marketing stimuli". Others expressed it as "the perceived brand utility relative to its costs, assessed by the consumer and based on simultaneous considerations of what is received and what is given up to receive it" (Lassar et al., 1995; Zeithaml et al., 1996). Furthermore, Alden et al. (2013) developed the concept of perceived value of global brands and referred to it as "cognitive-affective unit that feature thoughts about the utility of the brands produce by companies". Based on the above-mentioned definitions, perceived value is an overall assessment of a brand from cognitive and affective aspects.

The role of perceived value that plays in the relationships of marketing has been revealed in previous research. Alden et al. (2013) conducted a survey from both emerging and developed markets, indicating that perceived value of global brands has a close relation to consumers' self-identities such as consumer materialism and cosmopolitanism, which positively leads to brand attitude. However, consumers and their buying process in the high-tech products market are more rational compared with those in the other markets, which seems that the emotional value in a brand is less important but consumers generates many motivations to process product information (Aaker & Joachimsthaler, 2012). Perceived value is considered to be more significant for purchasing luxury brands, because consumers pay for a relatively higher price and expect to perceive higher brand value in

return (Tynan et al., 2010).

To measure perceived value, many researchers have investigated different dimensions that significantly related. Yoo & Donthu (2001) used brand loyalty, perceived quality and brand awareness and Vigneron & Johnson (1999) proposed unique value, conspicuous value, social value, emotional value and quality value. Sheth et al. (1991) developed a theory of consumption values to explain how they relates to consumer choice. The consumption values consist of functional value, social value, emotional value, epistemic value and conditional value. Özsomer & Altaras (2008) distinguished the tangible aspects (quality value and price value) from the intangible aspects (prestige value and social value) of a brand. Similarly, Sweeney & Soutar (2001) created a multiple-item scale to assess consumer perception of brand value with four dimensions: emotional value (the utility derived from the feelings or affective states that a product generates), social value (the utility derived from the product's ability to enhance social self-concept), price value (the utility derived from the product due to the reduction of its perceived short term and longer term costs) and quality value (the utility derived from the perceived quality and expected performance of the product).

This theory in Sweeney & Soutar (2001) aims at consumers who have user experiences because of the assessments including price value and quality value. It is hard to evaluate quality and price without prior experience. However, due to the overall objective in this research, this study includes consumers either used or never used but had brand knowledge about this kind of product. Therefore, considering the sample frame including two types of consumers, the current study followed the theory of Sweeney & Soutar (2001) in identifying perceived value and quote their measurements in assessing the intangible aspects, namely emotional value and social value.

From the above, it can be seen that perceived value differs in different consumer perceptions and are closely associated. Based on the discussions in the previous sections, either perceived brand globalness or perceived brand uniqueness is likely to give added value to consumers while brand trust acts as consumers' best interests based on different values. Moreover, the two proposed independent variables are strongly related to affective associations, which can be assumed that they are possibly mediated by perceived value in influencing brand trust. Hence, to verify the effect of consumer perceptions on brand trust in this study, perceived value was proposed as the mediator that links the relationship.

## 2.4 Moderator Role of Perceived Country Image

Perceived country image is regarded as "how country-of-origin associates with consumers' perceptions and beliefs (Keller, 1993)". In the literature of Nagashima (1970), country image is defined as "the picture, the reputation, the stereotype that businessmen and consumers attach to products of a specific country. This image is created by such variables as representative products, national characteristics, economic and political background, history, and traditions". Bruning (1997) concluded the role of country-of-origin in three ways

based on the existing knowledge: Country-of-origin acts as the additional cue for product evaluation, forms of halo effect or shapes country stereotyping.

A lot of researchers have considered this concept in the literature extensively. For example, Sharma (2011) found the significantly different effect of country-of-origin on brand evaluation for consumers from emerging and developed markets. Likewise, it is confirmed that country-of-origin perception significantly relates to foreign products while consumer preferences are more found in more industrial countries rather than less developed countries (Cordell, 1992). More specifically, American consumers are more willing to buy a foreign-made products from economically developed countries while they have negative perceptions of products coming from developing countries (Wang & Lamb, 1983). In terms of broiler products, Finnish consumers have strong and positive perceptions of domestic production (Pouta et al., 2010). At the level of firms, it is supported that some companies intentionally conceal country-of-origin to avoid sales loss (Nebenzahl & Jaffe, 1997). Pappu et al. (2007) found that the macro and micro images of country-of-origin have significant relations with consumer-based brand equity.

By now, scholars have used different scales to measure the construct of country image. Jaffe & Nebenzahl (1984) compared two formats of questionnaire for country image measurements in the following aspects: product technology, marketing and price. Pisharodi & Parameswaran (1992) used confirmatory factor analysis to developed a scale of country image from six dimensions: the ability to produce high quality products, emotional feelings of the specific country, country interaction, attitudes towards promotion image of a country's product and product attributes of a country. Han & Terpstra (1988) analysed the effect of country image of uni-national and bi-national products. To measure country image, they used technical advancements, prestige, workmanship, economy and the ability of service as scale items. Wang et al., (2012) distinguished the concept of country image from two dimensions: cognitive country image and affective country image. They demonstrated that these two aspects are not consistent in influencing purchase intention.

In the current study, perceived country image was hypothesized as the moderator for it highly correlated with consumers. The measurements used for this analysis was inspired by the two dimensions of country image in Wang et al. (2012), namely cognitive country image and affective country image. Due to the identity of global brands, it is likely that consumers' attitudes towards the country-of-origin pose significant effect on consumer perceptions. Therefore, perceived country image was hypothesised to have an interaction effect with the two consumer perceptions discussed in the previous sections that strengthens their associations with brand trust.

## 3. Research Hypotheses

### 3.1 Hypotheses Development

In the long-term orientation in buyer-seller relationship, trust is one of the determinant factors (Ganesan, 1994). This results were confirmed by a test between 124 retail buyers and 52 vendors. Morgan & Hunt proposed a model of relationship marketing in 1994, showing that trust is one of the key mediating variables that serves as a central role to all relational exchanges. As such, Elliott & Yannopoulou (2007) claimed that trust plays a significant role in consumer behaviour of symbolic brands (e.g. cars, watches, high-tech products and etc.) with relatively high level of purchase risk and price. In other words, symbolic brands especially need to inspire brand trust so as to increase perceived emotional value to weaken the effects of perceived risk and high price level. Indeed, consumers attach high perceived value to a brand if they have trustworthiness (Lassar et al., 1995). Based on the literature review, it can be predicted that brand trust has connection with perceived value to some extent.

From the perspective of companies, perceived brand globalness serves as an essential signal because it represents their marketing strategies in global marketplace, which is positively associated with the prestige and quality of a brand (Steenkamp et al., 2003; Özsoy, 2012). For example, Steenkamp et al. (2003) emphasized that perceived brand globalness creates added value to consumers. Likewise, brand trust acts in consumers' best interests based on different values (Doney & Cannon, 1997). Their views of brand trust suggested that consumers tend to incorporate perceived value with trustworthiness of a brand. From this, it can be assumed that perceived brand globalness has some associations with brand trust via expressing values. Since the share of emerging markets in the global trade have considerably risen, it is meaningful for EMMs to maximize brand value perceived by consumers. The benefits of a high level of globalness for global brands from developed countries have been recognized by Alden et al. (1999) but this construct has little to do with brands from emerging markets. Therefore, it is hypothesized:

**H1a: Perceived brand globalness is positively related to brand trust.**

**H1b: Perceived brand globalness is positively related to brand trust through the brand value perceived by consumers.**

Perceived brand uniqueness has a strong association with a consumer's self-concept, which makes the brand marketing more effective as it delivers a special meaning for individual consumers (Hyun & Park, 2015). Self-concept refers to how consumers evaluate themselves, which helps to make them feel unique (Solomon et al., 2013). Through purchasing unique products, the consumer has a feeling to achieve the ideal self and perceive high self-consciousness among the groups in society. Thus, it can be predicted that the social value of a brand is perceived when buying a product with uniqueness.

Chen & Sun (2014) verified consumer purchase intention of limited-amount version game with the effect of perceived brand uniqueness. The findings documented that perceived brand uniqueness enhances buying intention through increased perceived brand value. Furthermore, Holbrook & Hirschman (1982) gave two dimensions of perceived value: hedonic value and utilitarian value. They suggested that if buying a product contributes to creating a positive self-image or social image, it results in a positive evaluation of brand value. Based on Gürhan-Canli's view in 2003, perceived brand uniqueness contributes to brand evaluations. Therefore, it is hypothesized:

**H2a: Perceived brand uniqueness is positively related to brand trust.**

**H2b: Perceived brand uniqueness is positively related to brand trust through the brand value perceived by consumers.**

Country-of-origin generalizes emotional meanings for consumers through national symbols, which exerts an effect on consumer perception (Kleppe et al., 2002). Country image serves as an important extrinsic cue that exerts an impact on brand perception and evaluations (Verlegh & Steenkamp, 1999). Koschate et al. (2012) conducted three complementary experimental studies by using different countries and different brands, finding that a favourable country image positively influences willingness-to-pay of consumers. Furthermore, Souiden et al. (2011) concluded that country image effectively reduces consumer uncertainty and motivates consumers to buy high-tech products. The results were obtained from a sample of Chinese consumers.

Nevertheless, Akdeniz & Kara (2014) used a survey of 17 cities in Turkey and found out that the a less favourable country image has a negative effect on brand trust, by using well-known brands from China. They also argued that the brand value of a foreign brand will be diminished due to negative country-of-origin perceptions. Although the investigation of Samiee et al. (2005) showed that consumers are gradually less likely to attach nations to brands, some researchers still believe the importance of country image on initial trust (Michaelis et al., 2008).

Rosenbloom & Haefner (2009) highlighted the relationship between country-of-origin effect and global brand trust by conducting a survey among different countries with different product categories. Based on their findings, they presented that purchase behaviour of a brand with globalness perception is more important for high involvement and durable products. If the perceived risk of a product is greater, consumers are more likely to buy a global brand. Based on the discussions, it can be assumed that country image perceived by consumers varies in different situations and plays a significant role. For instance, if consumers tend to appreciate the country-of-origin of products in terms of technology development, it may enhance their beliefs in the global mission or universal availability of the brand success, therefore build brand trust in the brand. Or if consumers consider a country is likable or cooperative, they are more likely to accept the design philosophy behind the products, which leads to the trust establishment in a brand in the first place. Therefore, it is hypothesized:

**H3a: The positive association of perceived brand globalness with brand trust is stronger for consumers with high perceived country image.**

**H3b: The positive association of perceived brand uniqueness with brand trust is stronger for consumers with high perceived country image.**

### 3.2 Conceptual Model

Based on the findings of literature review, a conceptual model is shown in Figure 1. The conceptual model incorporates all the hypotheses and gives an overall of the interrelationships proposed for this research. Perceived brand globalness and perceived brand uniqueness are the independent variables and brand trust acts as the dependent variable. Perceived value plays the role of the mediator and perceived country image is the moderator. The current study predicted that the joint effect of perceived brand globalness and perceived brand uniqueness either directly influence brand trust or through the effect of perceived value. Perceived country image was hypothesized to enhance the association between the independent variables and the dependent variable, without the mediator of perceived value.

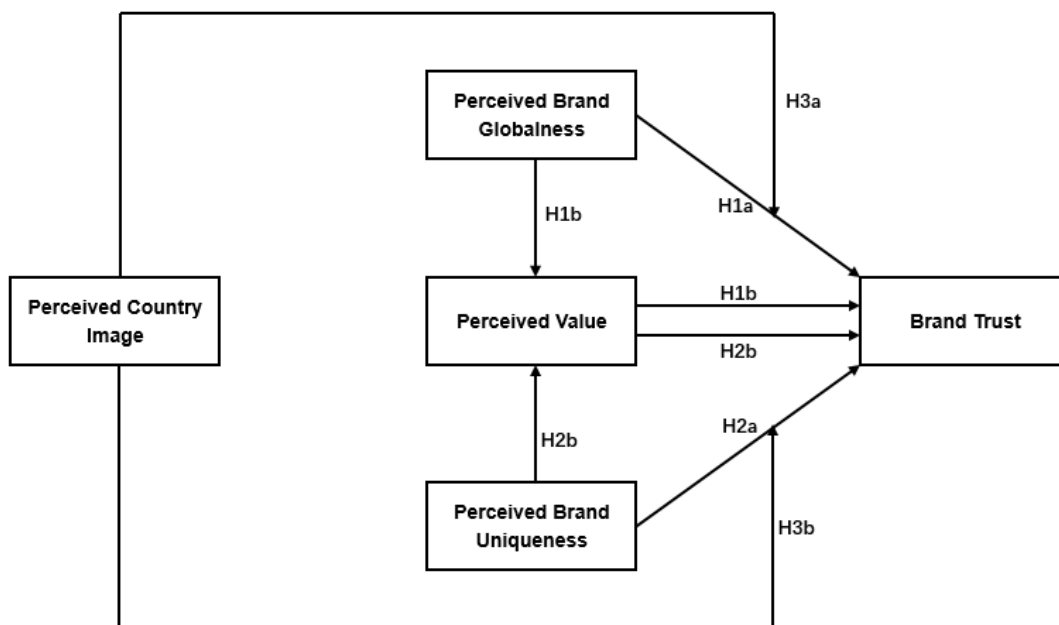


Figure 1. The conceptual model of the effect of consumer perceptions on brand trust.

## 4. Method

### 4.1 Participants and Procedure

A total of 171 completed surveys were obtained from volunteered participants who were willing to share their opinions on the smartphone brand named Huawei from China (64 males,  $M_{age}=24$ ,  $SD_{age}=3.88$ ). Survey participants were students from Wageningen University from 35 countries. The overall purpose of this research is to get an insight of how non-Chinese consumers view this Chinese brand from different perspectives of consumer perceptions. Therefore, participants from China were not in the sample frame for the empirical study. Among all the nationalities of participants, four parts are categorized based on regional classification: Europe (126 persons), Asian-Pacific (28 persons), America (14 persons) and Africa (3 persons). A profile of the sample is presented in Table 1.

Table 1 Sample Profile (N=171)

	N	%
<b>Gender</b>		
Male	64	37.4%
Female	107	62.6%
<b>Age</b>		
18-24	99	57.9%
25-29	60	35.1%
30-40	12	7.0%
<b>Region</b>		
Europe	126	73.7%
America	14	8.2%
Asian-Pacific	28	16.4%
Africa	3	1.8%

Considering the flexibility and time of gathering data, an online survey was mainly applied for data collection. In the first phase, a pre-test was made among 10 students. After doing the first version questionnaire, they gave comments such as modifying questionnaire structure and removing vague scales. In the second phase, an improved survey including 12 closed and open questions was put on Facebook website (Wageningen Student Plaza) by an electronic link with an informed consent agreement emphasizing the aim and confidentiality of this research (See Appendix 2). Wageningen Student Plaza is an online social community which mainly share opinions and ask for help among students of Wageningen University. It has been frequently used as a convenient tool to collect survey data as participants are volunteered to fill in surveys. As a result, through two-week data collection, 156 completed surveys were reached while 21 uncompleted surveys were



removed from the sample frame.

In order to attract more volunteers to participate in this research, another approach was used by printing out the questionnaires and given to students in Wageningen Campus who were willing to fill in the survey. Due to the time limitation, 15 completed questionnaires were given back. The main difference between online survey and off-line survey was the difficulty in determining data completeness of online survey.

## 4.2 Survey Design and Measures

The questionnaire consists of two parts: general questions and specific questions. The general part asked participants about their smartphone use experience, brand preference, gender, age and nationality while the specific part aimed to assess how Huawei smartphones were perceived by participants in the aspects of globalness, uniqueness, country image, value and brand trust.

First of all, participants were inquired if they have ever owned a smartphone. There is an exception for one participant without smartphone use experience. The rest were all users of smartphones at present. The respondent who never used smartphones added that brand Apple would be his future choice if he planned to buy a smartphone. Second, to understand which smartphone brands have been preferred by consumers, participants were required to specify the smartphone brands they have used. The results of brand preference are consistent with the data of smartphone market share which was illustrated previously, showing that Samsung and Apple were the most popular smartphone brands with 73 users and 59 users respectively. As for Huawei, 54 respondents indicated that they have an experience with this brand, ranking third among all brands. Finally, participants were asked to provide information about gender, age and nationality at the end of the questionnaire as the control variables.

Five questions regarding the proposed constructs in the conceptual model were asked with multiple measures separately, namely perceived brand globalness, perceived brand uniqueness, perceived country image, perceived value and brand trust. Each measure was a complete statement which required respondents to indicate how strongly they agree or disagree with each statement. All the selected items were anchored on five-point Likert scales with 1= "strongly disagree" and 5= "strongly agree".

A total of 30-item measures used in the survey were adopted and modified from a variety of literature (see Appendix 1). To measure **perceived brand globalness**, three items were patterned after Steenkamp et al. (2003). The current study used the same items in Steenkamp et al. (2003), which have been mainly tested for measuring perceived brand globalness in a lot of research (Özsomer, 2012; Sichtmann & Diamantopoulos, 2013). The factor globalness (Eigenvalue=2.19) explained 73.1% of the variance with a high level of reliability ( $\alpha=.81$ ).

Next, participants indicated how much they agree or disagree with the statements of **perceived brand uniqueness**. The five selected items for perceived brand uniqueness were adopted from Lynn & Harris (1997), Wu et al. (2012) and Hyun & Park (2015). The factor uniqueness (Eigenvalue=2.76) explained 55.3% of the variance and formed a reliability of .78. In the literature of Wang et al. (2012), they used three dimensions to scale country image: cognitive country image, affective country image and product image.

In the literature review of perceived value in Sweeney & Soutar (2001), they developed a multiple-item scale to assess consumer perceptions of brand value with four dimensions: emotional value, social value, price value and quality value. However, quality value and price value were not taken into account for the current research because not all participants have experience with Huawei smartphones. The current survey only assessed **perceived country image** in two aspects: cognitive and affective country images. Therefore, eight items were inspired by Wang et al. (2012) with a high level of reliability of .91. The factor country image (Eigenvalue=4.88) explained 61.0 % of the variance.

Then, participants were asked how much they agree or disagree with the statements of **perceived value**. Six-item scales of emotional value and social value were quoted for measuring perceived value and the factor perceived value (Eigenvalue=4.39) explained 73.1% of the variance, with a high level of reliability ( $\alpha=.93$ ).

Finally, participants were asked about their trust in Huawei. Akdeniz & Kara (2014) have conducted a research of global brands made-in China in terms of brand trust. After a pre-test of all the 11-item measures in Akdeniz & Kara (2014) by several students, only five items were employed for this research because the other items were either vague or similar to pre-testers. The rest three items were adapted from Delgado-Ballester & Luis (2001) and Delgado-Ballester (2004). The factor **brand trust** of the selected eight-item measures (Eigenvalue=5.53) explained 69.1% of the variance with a high level of reliability ( $\alpha=.94$ ).

## 5. Results

### 5.1 Measurement Check

To check whether the measures of each construct help to validate the theory proposed in this paper as well as reliability and validity of the proposed constructs (Hair et al., 2006), a confirmatory factor analysis (CFA) through AMOS 21.0 was employed with collected data. The results of CFA provided the final items of each variable and the outcomes of reliability analysis and validity analysis revealed whether all the variables were allowed to be examined in the next phase.

#### 5.1.1 Model Fit

Before performing a CFA, an exploratory factor analysis was applied to extract the items which standard factor loadings were greater than .60. As a result, some items no greater than .60 were dropped from the measures of constructs. Table 2 shows the range of the total factor loadings, the change of number of items and the value of Cronbach's  $\alpha$ . After a selection, a total of 22 items were significant at  $p=.000$ .

Table 2 Results of factor analysis (N=171)

Factor	No. of items	Item-to-total	No. of CFA items
Perceived brand globalness	3	.70-.77	3
Perceived brand uniqueness	5	.58-.83	3
Perceived country image	8	.64-.83	7
Perceived value	6	.60-.79	3
Brand trust	8	.63-.93	6

Based on the fit index recommended in Hu & Bentler (1999), the values of CFI and GFI should be both higher than .95 (higher than .80 is permissible). The acceptable threshold for AGFI is above .80. The value of SRMR should be lower than .09. With regard to RMSEA, the threshold value should be lower than .10 and the greater index is lower than .05. For PCLOSE, it is better equal or lower than .50. The goodness-of-fit of the CFA model was acceptable:  $\chi^2=281.05$ ; d.f.=198;  $\chi^2/d.f.=1.419$ ;  $p=.000$ ; comparative fit index (CFI) =.969; goodness of fit index (GFI) =.876; adjusted goodness of fit index (AGFI) =.841; standardized root mean square residual (SRMR) =.045; root mean square error of approximation (RMSEA)=.050; PCLOSE=.504.

Table 3 displays descriptive statistics for the final items of each factor including means and standard deviations as well as standardized factor loadings. As shown in Table 3, all the standardized factor loadings were equal or above .60, which supported the unidimensionality of each construct.

Table 3 Means, standard deviations and standardized loadings of final Items (N=171)

Construct and item	Mean	Std. Deviation	Standardized loading
<b>Perceived brand globalness</b>			
To me, Huawei is a global brand. (1)	3.43	1.03	0.70
I do think consumers overseas buy Huawei. (2)	3.60	1.07	0.71
Huawei is sold all over the world. (3)	3.51	1.01	0.77
<b>Perceived brand uniqueness</b>			
Huawei is distinct from other smartphone brands. (2)	2.77	0.92	0.60
Huawei really stands out from other smartphone brands. (3)	2.45	0.92	0.75
Huawei is unique from other smartphone brands. (4)	2.46	0.934	0.83
<b>Perceived country image</b>			
China is affluent. (1)	3.08	0.90	0.67
China is economically well developed. (2)	3.25	1.04	0.66
China has advanced technology. (4)	3.64	1.02	0.69
China is peace loving. (5)	2.68	1.04	0.79
China is friendly towards us. (6)	3.16	1.05	0.79
China is cooperative with us. (7)	3.18	1.01	0.76
China is likable. (8)	3.17	1.04	0.80
<b>Perceived value</b>			
The smartphone of Huawei would help me feel acceptable. (4)	2.53	0.98	0.63
The smartphone of Huawei would make a good impression on other people. (5)	2.54	0.97	0.60
The smartphone of Huawei would give its owner social approval. (6)	2.50	0.95	0.79
<b>Brand trust</b>			
Huawei is a brand that meets my expectations. (1)	3.15	0.98	0.93
I feel confident in Huawei. (2)	3.05	1.08	0.85
I think Huawei offers me the smartphone I may need. (3)	3.25	1.05	0.87
I trust the quality of the smartphone of Huawei. (4)	3.02	1.11	0.83
I tend to praise and defend this Chinese smartphone brand. (7)	2.72	1.13	0.64
I think I will appreciate this smartphone brand for a long time. (8)	2.92	1.06	0.85
Note: All ratings are based on five-point scales.			

With respect to the mean score of each item for each construct, the highest and lowest extents of agreements of perceived brand globalness were item two (3.60) and item one (3.43), which indicates that most respondents give relatively positive evaluation on brand globalness of Huawei smartphones and agree that consumers overseas buy this brand. As for perceived brand uniqueness, the highest extent of the agreement was item two (2.77). It shows that respondents tend to agree that the smartphone of Huawei is distinct from others. Based on the mean scores of all the items for this construct, it seems that

uniqueness in the smartphone of Huawei is not perceived high by most respondents. The highest and lowest mean scores for perceived country image were item four (3.64) and item five (2.68) respectively, which displays that most respondents recognize that China has advanced technology while they hold a relatively low agreement that China is a peace-loving country. In terms of perceived value, the lowest mean score item six (2.50). It indicates that respondents tend to disagree that the smartphone of Huawei would give them social approval. Another construct brand trust has the highest extent of agreement on item three (3.25) while item seven (2.72) has the lowest mean score. It shows that most respondents agree that Huawei offers the smartphone they may need. However, they do not tend to praise and defend this Chinese brand.

### 5.1.2 Reliability and Validity

Reliability analysis was used to assess the accuracy of measurements and validity analysis was applied to examine how unique is a variable from the others. Table 4 presents the outcomes of CR and AVE of each construct, and correlation estimates.

The CFA reliability was tested by using Cronbach's  $\alpha$  with all factors are above .70 (Nunnally, 1978) and using Composite Reliability (CR) with an acceptable value of CR should be higher than .60 (Hair et al., 2006). As shown in Table 4, the Cronbach's  $\alpha$  of all factors exceeded the threshold value of .70 and CR of all the proposed constructs were much higher than .60. The results both indicate that the reliability of each variable was confirmed.

Table 4 Results of reliability and validity analysis (N=171)

	Cronbach's $\alpha$	Composite Reliability (CR)
<b>Perceived brand globalness</b>	0.81	0.82
<b>Brand trust</b>	0.82	0.95
<b>Perceived country image</b>	0.91	0.90
<b>Perceived brand uniqueness</b>	0.89	0.83
<b>Perceived value</b>	0.94	0.89

The convergent validity and discriminant validity of the measures were tested through CFA (Fornell & Larcker, 1981). As for convergent validity, all the factor loadings of the proposed constructs were significant at  $p < .05$  and Average Variance Extracted (AVE) were all  $> .50$ . The results of AVE in Table 5 proved that convergent validity was supported. The correlation estimates demonstrated adequate discriminant validity when AVE value of each variable on the diagonal is greater than the squared correlations of two constructs below the diagonal. As shown in Table 5, the discriminant validity between each two variables was evidenced.

Table 5 Results of correlations (N=171)

	Average Variance Extracted (AVE)	Perceived brand globalness	Brand trust	Perceived Country image	Perceived brand uniqueness	Perceived value
Perceived brand globalness	0.61	0.78				
Brand trust	0.74	0.63	0.86			
Perceived country image	0.57	0.61	0.59	0.76		
Perceived brand uniqueness	0.62	0.41	0.68	0.50	0.79	
Perceived value	0.73	0.61	0.77	0.56	0.52	0.85

## 5.2 Hypotheses Testing

In this section, regression analysis and correlation analysis were mainly used for testing all the hypotheses proposed in the conceptual model through SPSS 23.0. First of all, the main effect between the potential consumer perceptions and brand trust was examined through Pearson correlation analysis by using the results obtained from CFA. Next, the mediation effect of perceived value was assessed by using simple and multiple linear regression analyses for each pathway separately. Finally, to test the moderator of perceived country image, a multiple group regression analysis was employed for each pathway.

### 5.2.1 Direct Effect

Since a CFA built all the constructs, the factor scores of each construct were used as measures to represent the constructs in the linear regressions. As shown in Table 6, the mean scores of each variable were computed by averaging the factor scores generated after CFA, as well as the standard deviation.

Table 6 Mean and standard deviation of variables (N=171)

Variable	Mean	Std. Deviation
Perceived brand globalness	3.11	.81
Perceived brand uniqueness	2.42	.78
Perceived country image	3.32	.85
Perceived value	2.56	.81
Brand trust	2.74	.81

In the next phase, Pearson correlation analysis was employed to test the hypotheses. The results display that the correlation is significant at the .000 level for every two variables. Then, a linear regression analysis was used to test the direct effect of perceived brand globalness and perceived brand uniqueness on brand trust separately. As shown in Table 7, both perceived brand globalness and perceived brand uniqueness were found to

positively lead to brand trust, with the unstandardized coefficients of .723 and .821 respectively. Therefore, the results supported for H1a and H2a.

Table 7 Results of regression analysis (N=171)

Hypothesis	Relationship hypothesized	Std. Error	t	B	P value
H1a	Perceived brand globalness is positively related to brand trust.	.058	12.394	.723	.000
H2a	Perceived brand uniqueness is positively related to brand trust.	.058	14.048	.821	.000

## 5.2.2 Mediation Effect

To assess to the mediator role of perceived value that plays in the relationship between consumer perceptions and brand trust, this section follows the theory of Baron & Kenny (1986) by using four steps to examine the mediation effect of perceived value. This approach involved several regression analyses and tested the significant of the coefficients of the variables.

### Perceived Brand Globalness, Perceived Value and Brand Trust

Based on the results in the section 5.2.1, all the variables are significantly correlated. Therefore, several regression analyses carried out with the variables were acceptable.

According to Baron & Kenny (1986), the first step is to test if the independent variable is a significant predictor to the dependent variable (Y). So, the first regression was made between perceived brand globalness( $X_1$ ) and brand trust ( $Y_1$ ),  $Y_1=B_{10}+ B_{11}X_1+ e_1$ . The results show that the coefficient of perceived brand globalness was significant at  $p=.000$ , with the coefficient  $B_{11}=.723$ . The values of  $R^2$  and adjusted  $R^2$  were .476 and .473 respectively.

The second step is to examine if the independent variable is a significant predictor to the mediator. Using perceived value ( $M_1$ ) as the dependent variable at this stage ( $M_1=B_{20}+ B_{21}X_1+ e_2$ ), the outcomes indicate that the coefficient of perceived brand globalness was significant at  $p=.000$ , with the coefficient of perceived brand globalness  $B_{21}=.710$ . The values of  $R^2$  and adjusted  $R^2$  were .457 and .454 respectively.

The third step is to conduct a simple regression analysis with the mediator that predicts the dependent variable significantly ( $Y_1=B_{30}+ B_{31}M_1+ e_3$ ). As a result, it proves the significance of the path between perceived value and brand trust at the level of  $p=.000$ . The coefficient of perceived value  $B_{31}$  was .816. The vales of  $R^2$  and adjusted  $R^2$  were .668 and .666 respectively. The significant relationships were all confirmed from step 1 to step 3. Therefore, it was acceptable to proceed to step 4.

The forth step is to test when the independent variable and the mediator variable are used simultaneously to predict the dependent variable by conducting a multiple regression analysis ( $Y_1=B_{40}+ B_{41}X_1+ B_{42}M_1+ e_4$ ). Some form of the mediation effect is supported if the

effect of perceived value is significant by controlling perceived brand globalness. However, when the coefficient of perceived brand globalness  $B_{41}$  in this step is non-significant, the results confirm a full mediation, otherwise, perceived value is a partial mediation when perceived brand globalness  $B_{41}$  is still significant. Partial mediation happens when there is not only a significant relationship between the mediator and the dependent variable while some direct relationship between the independent and dependent variable are involved. The findings were as follows: perceived brand globalness and perceived value were both significant at  $p=.000$  with the coefficient of perceived brand globalness  $B_{41}$  was .266. The vales of  $R^2$  and adjusted  $R^2$  were .702 and .699 respectively. Therefore, a partial mediation effect of perceived value was supported.

### Perceived Brand Uniqueness, Perceived Value and Brand Trust

The same steps were applied in testing the mediator role of perceived brand in the relationship between perceived brand uniqueness and brand trust. The first step confirmed that perceived brand uniqueness ( $X_2$ ) is a significant predictor of brand trust ( $Y_2$ ),  $Y_2=B_{10}+B_{11}X_2+e_1$ . The coefficient of perceived brand uniqueness was significant at  $p=.000$ , with the coefficient  $B_{11}=.821$ . The vales of  $R^2$  and adjusted  $R^2$  were .539 and .536 respectively. The second step examined if perceived value was associated with perceived brand uniqueness ( $M_2=B_{20}+B_{21}X_2+e_2$ ). The results were acceptable:  $B_{21}=.653$  ( $p=.000$ ). Moreover,  $R^2$  and adjusted  $R^2$  were .339 and .336 respectively.

The third step tends to confirm that perceived value predicts brand trust in a significant level ( $Y_2=B_{30}+B_{31}M_2+e_3$ ). The outcomes supported this path with the coefficient of perceived value  $B_{31}$  was .816 ( $p=.000$ ). Moreover, the vales of  $R^2$  and adjusted  $R^2$  were .668 and .666 respectively.

The last step was to regress brand trust on both perceived value and perceived brand uniqueness ( $Y_2=B_{40}+B_{41}X_2+B_{42}M_2+e_4$ ). The results showed that the coefficients of perceived brand uniqueness and perceived value were both significant at  $p=.000$  with the standardized coefficient of perceived brand uniqueness  $B_{41}$  was .437. Furthermore,  $R^2$  and adjusted  $R^2$  were .768 and .766. Based on requirements of different forms of meditation, a partial mediation effect of perceived value was evidenced in this relationship. Table 8 gives the summary of four-step mediation tests for two pathways.

Table 8 Summary of mediation tests using Baron & Kenny's (1986) procedure (N=171)

Step	Connections	Std. Error	t	B	P value
1	Perceived brand globalness- Brand trust	.058	12.394	.723	.000
2	Perceived brand globalness- Perceived value	.059	11.929	.710	.000
3	Perceived value- Brand trust	.044	18.424	.816	.000
4	Perceived brand globalness & Perceived value- Brand trust				
	Perceived brand globalness	.060	4.438	.266	.000
	Perceived value	.057	11.305	.645	.000



1	Perceived brand uniqueness- Brand trust	.058	14.048	.821	.000
2	Perceived brand uniqueness- Perceived value	.070	9.319	.653	.000
3	Perceived value- Brand trust	.044	18.424	.816	.000
4	Perceived brand uniqueness & Perceived value- Brand trust				
	Perceived brand uniqueness	.051	8.545	.437	.000
	Perceived value	.046	12.903	.589	.000

### Indirect Effect Testing

Although the above-mentioned steps have been widely used for approaching mediation effect, some researchers found out that the method in Baron & Kenny (1986) may miss some true mediation effects (MacKinnon & Fairchild, 2009) or lack the significant test of the indirect effect. Therefore, another alternative way was recommended by testing the significance of regression coefficient of the indirect effect.

The first step is to calculate the regression coefficient. Judd & Kenny (1981) suggested an approach by computing the difference of two regression coefficients. For the mediator effect in the path between perceived brand globalness and brand trust, the coefficient of the indirect effect is between  $B_{11}$  (.723) and  $B_{41}$  (.266). Then, the coefficient of the indirect effect  $B_{\text{indirect } 1}$  was .457. The same way was applied for the second path between perceived brand uniqueness and brand trust. Based on the results in the previous section, the coefficient of the indirect effect is between  $B_{11}$  (.821) and  $B_{41}$  (.437). By calculating, the coefficient of the indirect effect  $B_{\text{indirect } 2}$  reached .384.

The second step is to test the significance of the regression coefficients obtained separately. In order to do this step, the bootstrapping method suggested by Preacher & Hayes (2004) was used. Regarding this method, the significance of a mediation effect is evidenced by assessing confidence intervals. If zero does not fall between the bias corrected confidence intervals of the bootstrapping method, then a significant mediation effect can be confirmed.

Based on the results for assessing the pathway between perceived brand globalness and brand trust, the bias estimate was -.003 and the standard deviation was .055. The lower bound and upper bound of the bias corrected confidence intervals were .355 and .572 respectively, without zero included in the interval. Therefore, it had a certainty to claim that the indirect effect was significant in this relationship. Similarly, the outcomes of the bootstrapping method for the second pathway between perceived brand uniqueness and brand trust was also satisfactory. Again, the bias estimate was -.004 and the standard deviation was .061. For the bias corrected confidence intervals, the lower bound and upper bound were both positive at .267 and .504 respectively. Zero was not in the interval. Thus, the indirect effect was significant in this relationship as well. As shown in Table 9, both H1b and H2b were supported with the mediation effect of perceived value in two relationships.

Table 9 Results of mediation effect analysis (N=171)

Hypothesis	Relationship hypothesized	Indirect effect	Coefficient
H1b	Perceived brand globalness is positively related to brand trust through the brand value perceived by consumers.	.457(p=.000)	.266 (p=.000)
H2b	Perceived brand uniqueness is positively related to brand trust through the brand value perceived by consumers.	.384(p=.000)	.437 (p=.000)

### 5.2.3 Moderator Effect

Based on the literature review in the previous section, perceived country image was hypothesized as the moderator which has an interaction effect with the proposed two consumer perceptions on brand trust. To test if the moderator effect is consistent with the findings of theory, a multiple group regression analysis was employed (Jaccard & Turrissi, 2003). First of all, based on the split-median method of the moderating variable used in Chandrashekar & Grewal (2003), two sub groups were created: high perceived country image group ( $N_{high}=85$ ) and low perceived country image ( $N_{low}=86$ ). Second, a dummy variable one was named for high perceived country image subgroup if the value was above the median (3.45). otherwise low country image subgroup was given zero if the value equal or lower than 3.45. Finally, interaction terms were given by a multiplication between the two independent variables and the moderator separately, namely perceived brand globalness x perceived country image and perceived brand uniqueness x perceived country image.

#### Perceived Brand Globalness, Perceived Country Image and Brand Trust

The multiple group regression analysis was conducted in a hierarchy approach for the moderation effect for the pathway between perceived brand globalness and brand trust. To determine whether the interaction term was statistically significant, the first regression model contained perceived brand globalness and the dummy variable. The second regression model added the interaction term into the first model. Compared with the two models,  $R^2$  change was shown as .017 with the increase was significant ( $p=.016$ ). The results show a 1.7% increase in the variation explained by the interaction variable. The adjusted  $R^2$  for the two models were .503 and .517 respectively. Therefore, it can be concluded that perceived country image is a moderator between perceived brand globalness and brand trust. To test H3a, it shows that the unstandardized coefficient of the interaction variable was .069 ( $t=2.438$ ,  $p=.016$ ), which means the interaction effect is enhanced for high country image group. The unstandardized coefficient of perceived brand globalness was .580 ( $t=8.764$ ,  $p=.000$ ). Therefore, H3a was evidenced that perceived brand globalness is stronger in influence brand trust with consumers who have high perceived country image.

#### Perceived Brand Uniqueness, Perceived Country Image and Brand Trust

The moderator effect of perceived country image between perceived brand uniqueness and brand trust was hypothesized (H3b). The results show that the model with the additional interaction variable has the change in  $R^2$  as .039, with the increase was

statistically significant ( $p=.000$ ), which explained that a 3.9% increase in the variation by adding the interaction variable. The adjusted  $R^2$  for the two models were .547 and .584 respectively. Thus, perceived country image is a moderator was confirmed between perceived brand uniqueness and brand trust. The unstandardized coefficient of the interaction variable was .118 ( $t=4.007$ ,  $p=.000$ ), which proves the hypothesis that perceived brand uniqueness has more effective influence on brand trust with consumers of high country image perception. The unstandardized coefficient of perceived brand uniqueness was .676 ( $t=10.499$ ,  $p=.000$ ). Hence, H3b was supported.

To summarize, Table 10 gives an overview of the moderator analysis results, including the statistical change within two models and outcomes of ANOVA analysis. As shown in Table 10, the model summary contains the R square change, F change, Significant F change for two paths by comparing two models separately. As regard to the results of ANOVA analysis, df, F value and P value were included. Therefore, the moderator function of perceived country image was evidenced both in one pathway of perceived brand globalness and brand trust, and the other pathway of perceived brand uniqueness and brand trust. Hence, H3a and H3b were supported as shown in Table 11.

Table 10 Model summary and results of ANOVA analysis

Model	R Square change	F Change	Sig. F Change	df	F	P
Perceived brand globalness						
Model 1	.509	86.934	.000	2	86.934	.000
Model 2	.017	5.946	.016	3	61.644	.000
Perceived brand uniqueness						
Model 1	.552	103.506	.000	2	103.506	.000
Model 2	.039	16.060	.000	3	80.543	.000

Note: Model 1 refers to the regression model with the independent variable and the dependent variable and Model 2 refers to the regression model with the independent variable and the dependent variable as well as the moderator.

Table 11 Results of regression analysis

Variables	Std. Error	t	B	P value
<b>Globalness</b>	.066	8.764	.580	.000
<b>Country image</b>	.138	.492	.068	.624
<b>Globalness x country image</b>	.028	2.438	.069	.016
<b>Uniqueness</b>	.065	10.399	.676	.000
<b>Country image</b>	.124	-1.117	-.139	.266
<b>Uniqueness x country image</b>	.029	4.007	.118	.000

## 5.3 Summary

In conclude, all the hypotheses proposed in the conceptual model were supported as depicted in Table 12. The mediation effect of perceived value was evidenced with different interaction effects in different pathways. The moderator function of perceived country image was confirmed that consumers with high country image perception enhanced the relationship between the two focused consumer perceptions and brand trust respectively.

Table 12 Results of all the hypotheses testing (N=171)

<b>Hypothesis</b>	<b>Relationship hypothesized</b>	<b>B</b>	<b>P value</b>	<b>Support</b>
<b>H1a</b>	Perceived brand globalness is positively related to brand trust.	.723	.000	Yes
<b>H1b</b>	Perceived brand globalness is positively related to brand trust through the brand value perceived by consumers.	.266	.000	Yes
<b>H2a</b>	Perceived brand uniqueness is positively related to brand trust.	.821	.000	Yes
<b>H2b</b>	Perceived brand uniqueness is positively related to brand trust through the brand value perceived by consumers.	.437	.000	Yes
<b>H3a</b>	The positive association of perceived brand globalness with brand trust is stronger for consumers with high perceived country image.	.580	.000	Yes
<b>H3b</b>	The positive association of perceived brand uniqueness with brand trust is stronger for consumers with high perceived country image.	.676	.000	Yes

## 6. General Discussion

### 6.1 Conclusion

Emerging economies exhibit rapid development with the surge of numerous brands from these countries into the global market. In order to stand out in the competitive environment, it is of great importance for global marketers to know how the trust in the brand from the emerging market is influenced by consumer perceptions. So far, the effect of consumer perception has been widely considered in the existing theory of the global marketing while few research has been conducted in relation to brand trust. In general, most researchers tend to focus on a specific aspect of the consumer perception rather than a joint effect analysis. The objectives of this study were to explore the antecedents to brand trust from the perspective of consumer perceptions and to examine whether these associations were enhanced by the moderator in the context of a smartphone brand from China. Based on the findings of literature review, two antecedents were proposed: perceived brand globalness and perceived brand uniqueness. Perceived value was proposed as the mediator that intervened the relationship between the potential consumer perceptions and brand trust. In addition, perceived country image acted as the moderator role in strengthening or weakening the associations with the two antecedents in predicting brand trust.

The conceptual model developed in this study incorporates all the hypotheses among the proposed constructs. Through collecting data from 171 non-Chinese students of Wageningen University, all the hypotheses were evidenced. For the direct effect, the results of this study show that perceived brand globalness can be used to predict brand trust through a positive effect (H1a). Consumers are more willing to build trust in a brand if they believe that consumers overseas will buy this brand or it can be sold all over the world. The study also finds evidence that consumers approve the positive correlation between perceived brand uniqueness and brand trust (H2a). The uniqueness attached to a brand gives consumer confidence that the brand is trustworthy. From the perspective of consumers, the findings reveal that brand uniqueness is a more influential factor for brand trust compared to brand globalness. Regarding the indirect effect through perceived value, it was found that both perceived brand globalness and perceived brand uniqueness can be positively mediated by perceived value in influencing brand trust (H1b and H2b). However, the mediation effect plays a more important role in the pathway between perceived brand uniqueness and brand trust. Through the empirical study, it was also found that the positive association between the two proposed consumer perceptions and brand trust can be enhanced by consumers with high country image perception for the brand. Therefore, the moderator function of perceived country image was supported (H3a and H3b). It seems that the interaction between perceived brand uniqueness and perceived country image are more effective towards brand trust.

To conclude, perceived brand globalness and perceived brand uniqueness are two

significant factors for global brands from emerging market. The two factors contribute to brand trust either directly or through a mediation effect of perceived value. A favourable country image towards a brand leads to a stronger effect on brand trust by the interaction effect with consumer perceptions.

## 6.2 Theoretical Contributions

The current analysis focused on the joint effect of perceived brand globalness and perceived brand uniqueness on brand trust in the context of global brands from emerging markets. Based on the results of the empirical study, this study gives an insight of how consumers evaluate a well-known global brand from the emerging market by investigating the roles of two consumer perceptions, and contributes to the global brand literature in several ways.

First, perceived brand globalness was proposed as one of the potential variables in relation to brand trust. The majority of the existing research have discussed the effect of perceived brand globalness on brand quality and brand prestige (Steenkamp et al., 2003; Özsomer, 2012), rarely linking with brand trust. In the current study, the findings suggest that perceived brand globalness has a positive relationship with brand trust (.723,  $p=.000$ ). It can be interpreted that if consumers think a brand from the emerging market is able to be sold overseas or they think consumers all over the world may buy it, they tend to believe in the trustworthiness of the brand. The evidence of the pathway between perceived brand globalness and brand trust enhanced the knowledge of brand trust with the role of consumer perception. In the view of Steenkamp et al. (2003), perceived brand globalness delivers added value to consumers. Indeed, the findings of the consumer data confirmed that when consumers evaluate a brand high in globalness, they are more likely to attach high value to a brand as well. This study included emotional value and social value for assessing perceived value based on Sweeney & Soutar (2001). The results were consistent with what was explained in Dimoft et al. (2008) that affective association is a key driver for consumers towards global brands. Furthermore, this study confirmed the mediation function of perceived value in the relationship between perceived brand globalness and brand trust (.457,  $p=.000$ ), which supports the findings of Doney & Cannon (1997) that brand trust depends on consumers' different values.

Second, this study finds that perceived brand uniqueness is an important factor for brand trust. Few research has considered the relationship between perceived brand uniqueness and brand trust. Based on the results, consumers approved the positive effect of perceived brand uniqueness on brand trust to a large extent (.821,  $p=.000$ ). From this, it can be interpreted that the uniqueness of the global brand is significantly associated with consumer trust. In line with the conclusion of Lau & Lee (1999), brand characteristic contributes to brand trust. Uniqueness is one of the brand characteristics that is able to make a brand distinguish from the others. In this research, it seems that whether a brand is unique or not has a close relation with brand trust. The trust may result from a special meaning received through brand uniqueness (Hyun & Park, 2015), or an achievement of

self-concept by being unique among the group (Solomon et al. 2013). Therefore, this research contributes to the significant role of perceived brand uniqueness on brand trust. By now, researchers have showed great interest in the concept of perceived value in the aspects of quality and price. However, this research assessed perceived value in social and emotional aspects. The findings proved that perceived brand uniqueness can influence brand trust through the level of brand value perceived by consumers (.384,  $p=.000$ ). The findings not only extended the dimensions of perceived value in linking with brand trust, but also confirmed the conclusion of Holbrook & Hirschman (1982) that a positive self-image achieved through buying behaviour leads to higher brand value perceived.

Another important contribution is the moderation function of perceived country image in influencing brand trust in EMMs. Based on the literature review, perceived country image was proposed with two dimensions: cognitive country image and affective country image (Wang et al., 2012). Based on the results, affective country image weighted higher in consumer assessments for a global brand. In this research, perceived country image played a significant role. For consumers with high perceived country image, an enhanced interaction effect was found both in the positive association between the two antecedents and brand trust. The findings confirmed the results of Souiden et al. (2011) that perceived country image is a driver of high-tech products buying intention through reducing consumer uncertainty. For most consumers, their perceptions on a brand's country-of-origin may result from production evaluation, halo effect and stereotyping (Bruning, 1997). This research found out that the interaction between perceived brand globalness and high perceived country image positively affects brand trust (.069,  $p=.006$ ). It clearly indicated that when high perceived brand globalness are satisfied for consumers with high perceived country image, they show stronger brand trust. Similarly, the significant association was also proved with perceived brand uniqueness (.118,  $p=.000$ ).

### 6.3 Managerial Implications

This research investigated the interaction between consumer perceptions and brand trust in EMMs. In order to build a long-term relationship with consumers, global managers of brands from the emerging markets can benefit from the practical implications obtained from this study.

With respect to brand globalness, it is suggested that global managers should emphasize their global missions, universal availability and standard but high-quality to consumers in the target market (Özsomer, 2012). This can be achieved by making effective brand communication with consumers such as mass media and advertising. However, global marketers should be cautious when making strategies about globalness. It has been demonstrated that consumers from less developed countries are more easily affected by the attribute of globalness (Batra et al., 2014). Hence, when global brands target at advanced countries, this attribute is not a necessary consideration. Given the significant role of brand uniqueness, most consumers took part in the research indicated their needs for uniqueness towards a global brand, especially for the high-tech products. Different

kinds of high-tech products enter into the consumer market with a rapid speed at present. The extent how a product or a brand is distinct from the others increasingly becomes a decisive factor for consumer choice and their repeating buying behaviour. Therefore, it is critical to attach uniqueness to a brand such as brand logo, package and product design. Also, for high-tech products, customer service is an indispensable part that communicates with final consumers directly. Global brands should draw great attention to the uniqueness of their customer service. Another attribute that can be exploited is country image. Country image is found to be closely related to brand positioning strategy (Kipnis et al., 2012). They demonstrated that foreign brands integrated with local identities express respect of local traditions and contribute to local society welfare, which in turn positively influences consumer perceptions. Therefore, how to adapt into the local culture without losing the identity of a brand itself is a challenging for positioning. Several research has revealed that the majority of the consumers tend to trust products from economically developed countries (Wang & Lamb, 1983). This viewpoint may be more common for products that requires high technology. Hence, for better positioning a high-tech product from the emerging market overseas, some companies may conceal the information of country-of-origin on propose (Nebenzahl & Jaffe, 1997). Additionally, consumers with high country image should be one of the main target group because this high perception will enhance their trust in a brand. Therefore, before an emerging market brands entering the global marketplace, marketers should analyse if local consumers perceive a high level of country image in their brands. Last but not least, global markets can maximize brand value such as emotional value. It can be achieved through offering friendly service and improving customer experience.

Overall, this research will be helpful for global marketers to have a better view of the potential consumer perceptions that are likely to influence brand trust. It sheds light on the important consumer perceptions that need to be focused on. By taking advantages of the positive effects, EMMs are more likely to gain sales and market shares in the consumer market.

## 6.4 Limitations and Future Research

The current research remains some limitations that require further steps to address.

First of all, this research focuses on how perceived brand globalness and perceived brand uniqueness influence brand trust. It is possible that other underlying factors related to consumer perceptions also relevant in predicting brand trust, which can be explored in future research. Second, the current study lacks the investigation of the relation between perceived brand globalness and perceived brand uniqueness. It is likely that consumer perception of brand globalness exerts an impact on how they perceive the brand uniqueness and vice versa. This possibility was overlooked in this research, however, it can be improved by exploring literature support and having empirical check in the future. Third, the measurements of the perceived brand globalness need to be expanded. To measure perceived brand globalness, the existing research mainly used the three-item



scales from Steenkamp et al. (2003). This current analysis adapted these three-item scales with a high level of reliability while the limited scales may influence consumer assessments for this construct. In future studies, more possible items can be created through manipulation check. Forth, some limitations need to be improved for the generalizability of this study. To test the conceptual model proposed, the empirical study was conducted with international participants except for Chinese participants based on the current propose of this research. Future researchers can include a control group of Chinese participants to compare with non-Chinese participants group, which is worthwhile exploring the differences within the two groups. An alternative method is to collect consumer data based on developed countries and developing countries while it requires a relatively large sample size. Given the small sample size in this research, it is not possible to categorize based on country development status. Fifth, this research proposed perceived country image as the moderator in influencing the potential consumer perceptions and brand trust. Nevertheless, there are some possibilities that other variables are significantly related as well. For example, this research was conducted among students in Wagenigen University. However, other potential consumers need to be taken into account by investigating the effects of education level, income, family size. Also, other variables such as values (Steenkamp et al., 2010), culture dimensions (Talay et al., 2015), consumer ethnocentrism (Kaynak & Kara, 2002) and consumer identity (Swoboda et al. 2012) deserve more research in the future.

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# Appendix 1 Construct Measurement

**Table 1. Measurement statements**

Construct	Perceived brand globalness (Steenkamp al., 2003)	Perceived brand uniqueness (Hyun & Park 2015; Wu et al., 2012; Lynn & Harris, 1997)	Perceived country image (Wang et al., 2012)	Perceived brand value (Sweeney & Soutar, 2001)	Brand trust (Akdeniz & Kara, 2014; Delgado-Ballester & Luis, 2001; Delgado-Ballester, 2004)
Measurement items	<p>1. To me, this is a global brand.</p> <p>2. I do think consumers overseas buy this brand.</p> <p>3. This brand is sold all over the world.</p>	<p>1. I am generally more likely to buy a product if it is rare.</p> <p>2. This brand is distinct from other brands.</p> <p>3. This brand really stands out from other brands.</p> <p>4. This brand is unique from other brands.</p> <p>5. Possessing the product of this brand makes me feel distinctive.</p>	<p>1. China is affluent.</p> <p>2. China is economically well developed.</p> <p>3. China has high living standards.</p> <p>4. China has advanced technology.</p> <p>5. China is peace loving.</p> <p>6. China is friendly towards us.</p> <p>7. China is cooperative with us.</p> <p>8. China is likable.</p>	<p>1. The product of this brand is one that I would enjoy.</p> <p>2. The product of this brand would make me want to use it.</p> <p>3. The product of this brand would give me pleasure.</p> <p>4. The product of this brand would help me feel acceptable.</p> <p>5. The product of this brand would make a good impression on other people.</p> <p>6. The product of this brand would give its owner social approval.</p>	<p>1.X is a brand that meets my expectations.</p> <p>2.I feel confident in this brand.</p> <p>3. I think this brand offers me the smartphone I may need</p> <p>4. I trust the quality of the product of this brand.</p> <p>5. The product of this brand I have bought or intent to buy offers a warranty.</p> <p>6. I think this brand is always looking to improve its response to consumer needs.</p> <p>7. I tend to praise and defend this Chinese brand.</p> <p>8. I think I will appreciate this brand for a long time.</p>

Note: a 5-point Likert scale will be used 1 =strongly disagree to 5 strongly agree

## Appendix 2 Questionnaire

This is a thesis research by a master student at Wageningen University. This is a Brand Trust survey for Huawei, a maker of smartphones. It seeks to determine how consumers view Huawei based on different perceptions. Completing the survey will take approximately five minutes. There are no right or wrong answers and you are asked to fill in what first comes to your mind. All the collected data will be used only for the research purpose. Your anonymity is guaranteed. If you have any question about the survey, you may contact Qianwen Zhou via [qianwen.zhou@wur.nl](mailto:qianwen.zhou@wur.nl).

Thanks so much for your time!

Q1 Have you ever owned a smartphone?

- Yes (1)
- No (2)

Answer If Have you ever owned a smartphone? Yes Is Selected

Q2 What brands of smartphone have you owned most recently? You can select more than one brand.

- Apple (1)
- Samsung (2)
- LG (3)
- Huawei (4)
- Acer (5)
- Sony (6)
- Alcatel (7)
- Motorola (8)
- HTC (9)
- Microsoft (10)
- Nokia (11)
- Other (12) \_\_\_\_\_

Answer If Have you ever owned a smartphone? No Is Selected

Q3 What brands of smartphone will you consider buying if you were shopping for a smartphone? You can select more than one brand.

- Apple (1)
- Samsung (2)
- LG (3)
- Huawei (4)
- Acer (5)
- Sony (6)
- Alcatel (7)
- Motorola (8)
- HTC (9)
- Microsoft (10)
- Nokia (11)
- Other (12) \_\_\_\_\_

Q4 Perceived brand globalness: How strongly do you agree or disagree with each of the following statements?

	Strongly Disagree (6)	Disagree (7)	Neither Agree nor Disagree (8)	Agree (9)	Strongly Agree (10)
To me, Huawei is a global brand. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I do think consumers overseas buy Huawei. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Huawei is sold all over the world. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q5 Perceived brand uniqueness: How strongly do you agree or disagree with each of the following statements?

	Strongly Disagree (6)	Disagree (7)	Neither Agree nor Disagree (8)	Agree (9)	Strongly Agree (10)
I am generally more likely to buy a product if it is rare. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Huawei is distinct from other smartphone brands. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Huawei really stands out from other smartphone brands. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Huawei is unique from other smartphone brands. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Possessing the smartphone of Huawei makes me feel distinctive. (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q6 Perceived country image: How strongly do you agree or disagree with each of the following statements?

	Strongly Disagree (6)	Disagree (7)	Neither Agree nor Disagree (8)	Agree (9)	Strongly Agree (10)
China is affluent. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
China is economically well developed. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
China has high living standards. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
China has advanced technology. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
China is peace loving. (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
China is friendly towards us. (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
China is cooperative with us. (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
China is likable. (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q7 Perceived brand value: How strongly do you agree or disagree with each of the following statements?

	Strongly Disagree (6)	Disagree (7)	Neither Agree nor Disagree (8)	Agree (9)	Strongly Agree (10)
The smartphone of Huawei is one that I would enjoy. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The smartphone of Huawei would make me want to use it. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The smartphone of Huawei would give me pleasure. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The smartphone of Huawei would help me feel acceptable. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The smartphone of Huawei would make a good impression on other people. (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The smartphone of Huawei would give its owner social approval. (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q8 Brand trust: How strongly do you agree or disagree with each of the following statements about Huawei smartphones?

	Strongly Disagree (6)	Disagree (7)	Neither Agree nor Disagree (8)	Agree (9)	Strongly Agree (10)
Huawei is a brand that meets my expectations. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel confident in Huawei. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think Huawei offers me the smartphone I may need. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I trust the quality of the smartphone of Huawei. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The smartphone of Huawei I have bought or intent to buy offers a warranty. (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think Huawei is always looking to improve its response to consumer needs. (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I tend to praise and defend this Chinese smartphone brand. (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think I will appreciate this smartphone brand for a long time. (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q9 What is your age?

\_\_\_\_\_ age

Q10 What is your gender?

- Male
- Female

Q11 Where are you from? Please write it down below.

Q12 If you have any remark related to the survey, please write it down below.